

# News Blaze of the Week

December 14, 2020

Issue 21



## Editorial Panel

- Mohammad Ataour Rahman  
FVP & In- Charge,  
R&DU
- Farzana Afroz  
PO, R&DU

## Quotation Corner

**Success usually comes to those who are too busy to be looking for it.**

**Henry David Thoreau**

**Success is walking from failure to failure with no loss of enthusiasm.**

**Winston Churchill**

**All progress takes place outside the comfort zone.**

**Michael John Bobak**

## Contact us

[rnd@dhakabank.com.bd](mailto:rnd@dhakabank.com.bd)

# Contents



## Government Initiatives

Govt takes \$40m infrastructure project for exporters 05

Maiden wind power project in private sector 05



## Stock Market

Stocks keep soaring amid rising confidence 09

BO account opening to be digitized 10

DSEX exceeds 5,000-mark after two months 10



## Financial Institutions

Banks have to set aside more funds to absorb shocks 06

Trust Bank gets new DMD 06

BASIC Bank Launches Contactless Credit Card 07

Ibrahim Khaled joins Pubali Bank as independent director 07

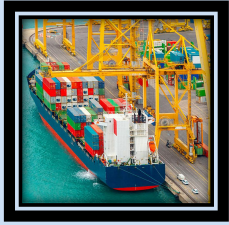
HSBC launches 2nd edition of business excellence awards 08



## Corporate Market

Three local firms make it to Forbes' best under \$1b list 11

Big companies 'in queue' to go public 11



## Trade Market

- Bangladesh signs trade deal with Bhutan 12
- Maksons Group to invest \$111m at Bangabandhu Shilpa Nagar 12
- Japan approves \$700b stimulus package 13
- PIFIC rolls out \$40m fund for four sectors today 13



## Technology

- FBCCI launches centre to develop technopreneurs 14
- Dutch tech can boost farm output of Bangladesh 14



## Export Import

- Govt to import 5 lakh tonnes of rice 15
- Dutch tech can boost farm output of Bangladesh 15



## Apparel Market

- High-end products still a long way off 16



## International Business

- India plans to allow relinquished coal-fired plants to sell power 17
- Oil falls on surging virus cases and US-China tensions 17





## Government Initiatives

### Govt takes \$40m infrastructure project for exporters

- The government yesterday launched a Public Investment Facility for Infrastructure Constraints (Pifc) project to provide infrastructure support to hundreds of export-oriented firms. Commerce Minister Tipu Munshi launched the \$40 million project through a virtual meeting, to facilitate the light engineering, plastics, leather and leather goods, footwear and any other sectors which need such support.
- The government will support some 20 potential export-oriented sectors, create jobs and fuel exports as part of a plan to meet the Sustainable Development Goals. It will also develop waste management facility, recycling centres, power transmission, telecom connectivity lab services and warehouse facilities, according to project papers. However, all these infrastructure facilities would be built upon applications by the potential beneficiaries in any industrial cluster areas. For instance, there is a big cluster of 50,000 light-engineering firms only at the Dholaikhal area in Dhaka.
- Currently, Bangladesh exports over \$950 million worth of plastics products a year. He said a separate plastic industrial park was going to be built at Keraniganj area as the demand for the plastic goods from both local and international buyers were increasing. Last year, it missed the \$1 billion-mark because of the shifting of tanneries from Dhaka's Hazaribagh to Savar Tannery Industrial Estate. Pharmaceuticals, jute and jute goods and leather goods sectors also have the potential to grow big like the garment sector.

Source: <https://www.thedailystar.net/business/news/govt-takes-40m-infrastructure-project-exporters-2008721>

### Maiden wind power project in private sector

- The government yesterday approved a proposal to set up a 55-megawatt wind power plant in Bagerhat, a move that may give a much-needed fillip to its efforts to tap the country's unrealised renewable energy potential. The cabinet committee on purchase gave its consent to the proposal from a Chinese-Bangladeshi consortium to set up the plant on a build-own-operate basis under a contract with the Bangladesh Power Development Board (BPDB).
- The BPDB will buy electricity from the plant at a tariff of \$13.20 cents, or Tk 10.56 per kilowatt-hour unit for 20 years, Abu Saleh Mostafa Kamal, additional secretary of the cabinet division, told reporters after the cabinet meeting. The Installed capacity for renewable energy stands at 650.53 MW with solar energy accounting for 416MW and hydropower 230MW. For wind speeds of 5.75-7.75 m/s, there are more than 20,000 square kilometres of land with a gross wind potential of more than 30,000MW.
- The BPDB signed a contract in March 2015 to award a 60MW wind power project to US-DK Green Energy (BD), a joint venture of Taylor Engineering Group of the US, PH Consulting Group of Denmark and Multiplex Green Energy of Bangladesh, to set up the plant at Kurushkul in Cox's Bazar. The state-run Rural Power Company is working to set up a 10MW plant in Kalapara of Patuakhali. The plant is scheduled to begin electricity generation on December 31, 2022.

Source: <https://www.thedailystar.net/business/news/maiden-wind-power-project-private-sector-2008785>



## Financial Institutions

### Banks have to set aside more funds to absorb shocks

- Banks will have to keep aside more funds in provision than they usually maintain to make them well-equipped so that they can absorb shocks from any increase in bad debts caused by the business slowdown in the coming year. Banks now set aside 0.25 per cent to 2 per cent against unclassified loans. It is 20 per cent to 100 per cent against defaulted loans. In Bangladesh, the requirement of provisions has declined since the first quarter of 2020 after the central bank allowed banks to enjoy a moratorium. On March 19, less than two weeks after the government first reported the country's maiden coronavirus case, the central bank asked lenders not to consider businesspeople to be defaulters if they fail to repay instalments until June 30.
- Non-performing loans (NPLs) stood at Tk 94,440 crore in September, down 1.74 per cent from that three months earlier and 18.73 per cent year-on-year, BB data showed. The country's banking sector has, historically, faced provisioning shortfall due to the failure of 10 to 11 banks. The ongoing moratorium facility has helped banks bring down the provision shortfall to Tk 2,644 crore in September in contrast to Tk 8,119 crore one year ago. Banks in other countries have set aside additional provisioning to protect their financial health from the potential risks emerging from the ongoing economic hardship. But, the banking sector in Bangladesh is reluctant to do so. Rather, banks are trying to increase net profit to offer a good amount of dividend to their directors.
- As a result, the net profit in the banking sector soared 33.60 per cent year-on-year to Tk 2,424 crore in the first half of 2020 despite a collapse in business and a feeble recovery of loans. The central bank also plans to raise the provisional requirement for unclassified loans, another central banker said. Bankers have welcomed the central bank move, saying this would help banks strengthen their financial health. Emranul Huq, managing director of Dhaka Bank, said the actual situation in the banking sector would be apparent next year.

Source: <https://www.thedailystar.net/business/news/banks-have-set-aside-more-funds-absorb-shocks-2006617>

### Trust Bank gets new DMD

- Ahsan Zaman Chowdhury has recently been appointed deputy managing director and chief business officer of Trust Bank with effect from December 1. Prior to the promotion, he was senior executive vice president and head of business division of the bank.

Source: <https://www.thedailystar.net/business/news/trust-bank-gets-new-dmd-2006557>



### **BASIC Bank Launches Contactless Credit Card**

- State-owned BASIC Bank Limited has launched dual currency contactless credit card. BASIC Bank is the first among all the state-owned banks to launch this type. Professor Dr. Md. Abul Hashem, Chairman of the Board of Directors of the Bank, joined a virtual opening ceremony, arranged by the head office of the bank on Sunday and inaugurated the card service.
- Managing Director of the bank Md. Rafiqul Alam presided over the function where Directors of the Board, Md. Shaheb Ali Mridha, Md. Razib Parvez and Md. Rafiqul Islam participated in the programme. The senior executives and concerned officials including the head of card division also attended the function. Chairman of the bank, Professor Dr. Abul Hashem said that BASIC Bank marked progress of another step in meeting customer demand in terms of technology oriented banking services. With Visa, a card service of international branding, customers can make their transactions easily both at home and abroad.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/basic-bank-launches-contactless-credit-card-1607362373>

### **Ibrahim Khaled joins Pubali Bank as independent director**

- Prominent banker, economist and former deputy governor of Bangladesh Bank Khondkar Ibrahim Khaled has joined Pubali Bank as an independent director. He was the managing director of Pubali Bank from 2001 to 2006.
- Mr. Khaled has been associated with the banking system of Bangladesh for nearly six decades. He was the deputy governor of Bangladesh Bank from 1998 to 2001. He also served as the chairman of the board of directors of Bangladesh Krishi Bank. He has been the director, president of the executive council and a member of the trustee board of the Central Kachi-Kanchar Mela since 2000.

Source: <https://www.thedailystar.net/business/news/ibrahim-khaled-joins-pubali-bank-independent-director-2008693>

## HSBC launches 2nd edition of business excellence awards

- HSBC has launched the second edition of "HSBC Business Excellence Awards" to recognise and honour business enterprises and entrepreneurs from Bangladesh for their contribution towards sustainable economic growth. These awards aim to acknowledge thriving businesses in Bangladesh and enable them to connect with high growth global opportunities -- something HSBC has been doing for 155 years around the world.
- The first one of the eight categories of this year's awards is for garment units with annual export turnover of \$50 million and above. The second category is for supply chain and backward linkage industries with annual export turnover of \$10 million and above while non-traditional and emerging sectors with turnover of \$3 million and above will belong to the third group. The fourth category is for best in import substitution reducing or substituting imports to a value of \$10 million and above.
- The fifth category is for the leader in inbound investment and infrastructure foreign investment in the form of capital, technology solution etc. Adjudication will be done by a jury board comprising members from the HSBC senior management team, the ministry and the high commission. Winners will be selected based on aspects such as, annual contribution to the national exports and economy, diversity, responsibility, sustainable business practices, governance strengths, regulatory compliance etc. The nomination forms and other details of the programme are now available at HSBC's Bangladesh website and the nomination phase will remain open until January 28, 2021.

Source: <https://www.thedailystar.net/business/news/hsbc-launches-2nd-edition-business-excellence-awards-2008737>





## Stock Market

### Stocks keep soaring amid rising confidence

- Stocks extended the winning streak for the fifth straight session on Monday as the buoyant investors continued their appetite on large-cap issues amid investors' growing confidence in the market. DSEX, the core index of the Dhaka Stock Exchange (DSE), went up by 29.10 points or 0.57 per cent to settle at 5,053. The key index added more than 187 points in the past five consecutive sessions while market capitalisation showed Tk 146 billion as increase during the period under review. Two other indices also ended higher. The DS30 index, comprising blue chips, rose 14.57 points to finish at 1,763 and the DSE Shariah Index gained 8.83 points to close at 1,159.
- Three Bangladeshi listed firms -- Square Pharma, Renata, and Fortune Shoes -- have entered into the greatly desired Forbes list of under US\$ 1.0 billion company for 2020 from Asia and the Pacific region. The stock market regulator's moves to restructure the boards of the listed companies if sponsor-directors fail to hold minimum 30 per cent shares jointly, also attracted the investors. Turnover, a crucial indicator of the market, rose to Tk 8.48 billion, which was 0.60 per cent higher than the previous day's turnover of Tk 8.43 billion. Among the major sectors, power posted the highest gain of 1.10 per cent, followed by pharmaceuticals with 0.80 per cent and banking 0.60 per cent.
- Financial institutions, telecom, engineering and food sectors faced correction, losing 1.20 per cent, 0.60 per cent, 0.30 per cent and 0.10 per cent respectively. A total number of 170,937 trades were executed in the day's trading session with a trading volume of 330.61 million shares and mutual fund units. The market capitalisation of DSE rose to Tk 4,045 billion on Monday, from Tk 4,030 billion in the previous day. Beximco topped the turnover list with 19.31 million shares worth Tk 554 million changing hands, closely followed by Republic Insurance, IFIC Bank and Fortune Shoes.
- Miracle Industries was the day's best performer, posting a gain of 9.84 per cent while CAPM IBBL Islamic Mutual Fund was the worst loser, losing 7.83 per cent. The Chittagong Stock Exchange also ended higher with its All Shares Price Index (CASPI)-advancing 72 points to close at 14,496 while the Selective Categories Index - CSCX- rising 45 points to close at 8,727. Of the issues traded, 115 advanced, 98 declined and 56 remained unchanged on the CSE. The port city bourse traded 20.11 million shares and mutual fund units with turnover value of more than Tk 439 million.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/stocks-keep-soaring-amid-rising-confidence-1607362095>

# Stock Market

## BO account opening to be digitized

- Investors willing to invest in the capital market will be able to open BO (beneficiary owner's) accounts online in near future without going to the firms. As part of the regulatory move to digitise the country's capital market, the Central Depository Bangladesh Limited (CDBL) has started the job of developing a module through which investors will be able to open BO accounts online. On completion of the process, investors having internet connection will be allowed to open BO accounts using android mobile phones, laptops and desktop computers.
- An official of a brokerage firm of the Dhaka Stock Exchange (DSE) said Tk 400 to Tk 500 is charged for opening a BO account. In some cases, Tk 1000 to Tk 2000 is charged for opening a BO account. In 2016, the securities regulator reduced the renewal fee to Tk 450 from Tk 500 for each BO account with the aim of reducing financial burden on investors. Of Tk 450, Tk 200 goes to the public exchequer, Tk 100 to depository participants (DPs), Tk 100 to the CDBL and the remaining Tk 50 to the BSEC. According to BSEC official, a brokerage firm has showed interest to open trading outlet abroad. The number of active BO accounts stood at above 2.61 million as of Thursday, according to information of the CDBL.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/bo-account-opening-to-be-digitised-1607184883>

## DSEX exceeds 5,000-mark after two months

- The core index of the Dhaka Stock Exchange (DSE) crossed the 'psychological' threshold of 5,000-mark after more than two months on Sunday riding on regulatory moves and gradual improvement of economic activities. DSEX, the key index of the Dhaka Stock Exchange (DSE), soared 49.54 points or 0.99 per cent to settle at 5,024. The DS30 index, comprising blue chips, rose 21.51 points to finish at 1,748 and the DSE Shariah Index soared 15.27 points to close at 1,150.
- The enthusiastic investors were active on the trading floor following the news that Forbes list of Asia's 200 Best Under \$1b, included three Bangladeshi listed firms - Square Pharma, Renata, and Fortune Shoes--commented International Leasing Securities. Following the news, share prices of Fortune Shoes, Square Pharma and Renata rose 9.24 per cent, 2.78 per cent and 1.26 per cent respectively. Three Bangladeshi listed firms have entered into the greatly desired Forbes list of under US\$ 1.0 billion Company for 2020 from Asia and the Pacific region. Among the major sectors, financial institutions posted the highest gain of 2.50 per cent, followed by engineering with 2.0 per cent, telecom 1.90 per cent, pharma 1.50 per cent and banking 1.0 per cent. General insurance and mutual fund sectors faced correction, losing 4.10 per cent and 2.0 per cent respectively.
- The Chittagong Stock Exchange also ended higher with its All Shares Price Index (CASPI)-soaring 161 points to close at 14,424 while the Selective Categories Index - CSCX rising 94 points to close at 8,681. Of the issues traded, 135 advanced, 76 declined and 45 remained unchanged on the CSE.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/dsex-exceeds-5000-mark-after-two-months-1607268189>



### Three local firms make it to Forbes' best under \$1b list

- Three Bangladeshi companies have made it to Forbes' list of "Asia's 200 Best Under A Billion". Two of the entities that came up in the list of the American business magazine are drug-makers Square Pharmaceuticals and Renata. The third firm is Fortune Shoes, which mainly exports to Europe, according to the list that highlights 200 Asia-Pacific public companies with sales under \$1 billion.

Source: <https://www.thedailystar.net/business/news/three-local-firms-make-it-forbes-best-under-1b-list-2006633>

### Big companies 'in queue' to go public

- Some big companies would go public as few of those were waiting for necessary approval and others taking preparation. Presently, a good number of companies such as Rupali Bank, Union Bank, NRB Global, and Omera Petroleum were in the pipeline. The capital market experts have also stressed on listing more large companies having good fundamentals to deepen the country's capital market and prevent rumour-based speculations and manipulation.
- The market has only six such companies having market capitalisation of billions of dollars. The companies are: Grameenphone, Walton Hi-Tech Industries, British American Tobacco Bangladesh Company (BATBC), Square Pharmaceuticals, United Power Generation and Distribution Company (UPGDC), and Renata. Apart from Robi, the list of top 10 IPOs included Grameenphone, MJL Bangladesh, The Acme Lab, Orion Pharma, the UPGDC, Bashundhara Paper Mills, Unique Hotel, Shasha Denims and The Peninsula Chittagong. These companies floated IPOs worth ranging from Tk 1.65 billion to Tk 4.86 billion during last 15 years from 2003 to 2018.
- Managing Director of IDLC Investments Limited Md. Moniruzzaman said the large-cap companies especially the multinational companies (MNCs) have the capability to compete in the local and international market. The market capitalisation of Grameenphone is US\$ 5.07 billion, Walton Hi-Tech Industries US\$ 2.88 billion, the BATBC US\$ 2.25 billion, Square Pharmaceuticals US\$ 1.86 billion, and the UPGDC US\$ 1.66 billion as on Sunday. The market capitalisation of Renata was US\$ 1.23 billion on Thursday last.

Source: <https://today.thefinancialexpress.com.bd/first-page/big-companies-in-queue-to-go-public-1607275490>





## Trade Market

### Bangladesh signs trade deal with Bhutan

- Bangladesh will ink its maiden preferential trade agreement (PTA) with Bhutan as the country looks to retain duty benefits following its graduation to a developing country from the least developed nation category. Bangladesh is signing the deal with Bhutan as the country was the first one to recognise Bangladesh as an independent nation in 1971.
- Under the deal, Bangladesh will enjoy duty benefit on the exports of 100 local products such as garments, processed agricultural goods and electronics. Bhutan will enjoy duty benefit on 34 products like fruits. In the fiscal year of 2018-19, Bangladesh exported goods worth \$7.56 million and imported goods worth \$42.09 million, according to data from the commerce ministry. Bangladesh is set to make its status graduation to a developing country in 2024. In doing so, the country will lose preferential trade benefits as an LDC, except to the European Union, where the benefit would continue up to 2027 to help the country's transition.

Source: <https://www.thedailystar.net/business/news/bangladesh-signs-trade-deal-bhutan-today-2006593>

### Maksons Group to invest \$111m at Bangabandhu Shilpa Nagar

- Maksons Group, a local textile miller, is going to set up three industrial units at the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) in Mirsarai at a combined investment of \$111 million. Mohammad Ali Khokon, managing director of Maksons Group and three other entities under the group, signed a land-lease agreement with the Bangladesh Economic Zones Authority (Beza) at the Pan Pacific Sonargaon Hotel in Dhaka yesterday to establish the units on 30 acres of land by 2022. Metro Spinning Ltd will invest \$40 million and create jobs for 1,200 people.
- Maksons Spinning Mills Ltd will invest \$30 million to create 800 jobs and the second unit of the factory will invest \$41 million, Khokon said at the signing ceremony. Maksons Group, which has been in textile and spinning business for more than 35 years, exported goods worth \$77 million last year. In the next year, the group would be able to export goods worth \$100 million despite the fallouts of the Covid-19 as the volume of export orders, especially for knitwear items, has increased at his factories.
- In the first phase, the group plans to earn \$200 million in exports from the proposed units. It will add another \$300 million in the second phase. Of the \$34 billion garment export from Bangladesh, \$23 billion is supported by local textile millers and spinners by way of supplying raw materials, said Khokon, also the president of the Bangladesh Textile Mills Association. The agency is developing the BSMSN on 30,000 acres of land as part of its plan to construct 100 economic zones across the country by 2030. Investment proposals worth \$20 billion have already been approved at the BSMSN that might create jobs for 10 lakh people.

Source: <https://www.thedailystar.net/business/news/maksons-group-invest-111m-bangabandhu-shilpa-nagar-2007649>



### Japan approves \$700b stimulus package

- Japan's government on Tuesday approved more than \$700 billion in fresh stimulus to fund projects from anti-coronavirus measures to green tech, the country's third such package this financial year. The Covid-19 pandemic has wrought global economic carnage and countries across the world have announced massive cash injections. Japan's latest package, worth 73.6 trillion yen (\$708 billion), includes loan schemes and actual government spending of around 40 trillion yen.
- It is the first stimulus spending Prime Minister Yoshihide Suga has announced since taking office in September, and comes as Japan faces a spike in Covid-19 infections, with record numbers of new cases reported in recent weeks. The package also features a \$20 billion green tech fund designed to support projects from renewable energy development to pollution reduction. In October, Suga set a 2050 deadline for Japan to become carbon neutral, significantly firming up the country's climate change commitments.

Source: <https://today.thefinancialexpress.com.bd/trade-market/japan-approves-700b-stimulus-package-1607445031>

### PIFIC rolls out \$40m fund for four sectors today

- A US \$40 million worth of fund will be made available for the country's four targeted sectors to address their infrastructure constraints to help diversify the export basket and create fresh and quality jobs. The Public Investment Facility for Infrastructure Constraints (PIFIC) fund will be rolled out under the Export Competitiveness for Jobs (EC4J) project implemented by the commerce ministry with support from World Bank Group. The \$40 million PIFIC facility is expected to cover 15-20 infrastructure projects within industrial clusters of the selected sectors across the country.
- About \$0.5 million to \$2.0 million grant will be given to each small works while \$2.0 million to \$10 million will be provided for larger ones, the project director said, adding that a feasibility study must be conducted for larger works. PIFIC is accepting applications from industrial associations, business groups or consortiums of industrial clusters. It will select suitable applications and provide guidance and actively assist the nominated candidates in formulating a complete project proposal.

Source: <https://today.thefinancialexpress.com.bd/trade-market/pific-rolls-out-40m-fund-for-four-sectors-today-1607444944>



## FBCCI launches centre to develop technopreneurs

- The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday launched a technology centre to facilitate the growth of local tech startups and technopreneurs. The main aim of this initiative is to build a digital ecosystem in the country by creating "Impact Tech-Preneurs" who can solve social problems and have a measurable and transformative impact on the digital landscape. The centre, dubbed "FBCCI Tech C", is a part of the FBCCI Impact 4.0 (2020) project, which was launched to mark the centennial birth anniversary of Bangabandhu Sheikh Mujibur Rahman.
- The country's apex trade body signed agreements with various international organisations such as the Massachusetts Institute of Technology (MIT), University of Toronto, Accelerating Asia and Seneca College to train local startups through this initiative. FBCCI Tech C is one vertical of FBCCI Impact 4.0 (2020), which was adopted by the current board. Technology will play an essential role in attaining Vision 2021, Vision 2041 and Bangabandhu's Sonar Bangla, according to State Minister Palak. Leveraging tech innovations to have a competitive edge will help improve Bangladesh's economic growth but for that the country needs a thriving and innovative technology sector.
- Sonia Bashir Kabir, an advisor to the FBCCI, gave a presentation about Tech C at the event. FBCCI TECH C entails startup preparedness skills, Ag Tech (Agriculture Tech), Digital Financial Service (FinTech), Med Tech (Health Tech), Ed Tech (Education Tech), e-commerce, Rural Broadband Smart Cities and so on. Sharon Bort, senior officer of sustainability at the MIT, said the global challenges for 2021 includes ensuring equitable connectivity to access digital commerce and public services for everyone and protecting all people from health security threats and disease outbreaks. It also encompasses reimaging classrooms for the next generation of learners, preserving and strengthening ecosystem services, including carbon mitigation and harnessing tech to promote racial justice and the formation of antiracist society, said Bort.

Source: <https://www.thedailystar.net/business/news/fbcci-launches-centre-develop-technopreneurs-2007121>

## Dutch tech can boost farm output of Bangladesh

- Bangladesh needs a huge amount of Dutch investment and support of its superior technologies to boost productivity in agriculture, speakers told a summit yesterday. Half of Bangladesh's population is engaged in agriculture, where there is scope for growth through the adoption of Dutch technologies, said FA Ansarey, managing director and chief executive officer of ACI Agribusiness. "Bangladesh-Netherlands Investment Summit 2020" organised by the Bangladesh embassy in the northwest European country with support from the Dutch government.
- Bangladesh had a rapidly growing middle class which was set to be the next big potential consumers. Bouke Hamminga, commercial director at industrial equipment supplier Royal Pas Reform, said his organisation has been providing agricultural machinery to Bangladesh since 2004, enabling the mechanisation of the agriculture sector.

Source: <https://www.thedailystar.net/business/news/dutch-tech-can-boost-farm-output-bangladesh-2008209>



# Export Import

## Govt to import 5 lakh tonnes of rice

- The government may import up to 5 lakh tonnes of rice to replenish the country's depleting food stocks and tame the soaring prices of the staple, according to a senior official of the food ministry. The Directorate of Food has already floated a tender to buy 100,000 tonnes of parboiled rice from abroad. Meanwhile, the government placed an order for 50,000 tonnes of rice last week and plans to purchase another 100,000 tonnes from foreign sources soon. The food ministry aims to buy 300,000 tonnes of rice from abroad in the first phase.
- The Directorate of Food has decided to buy 200,000 tonnes of paddy from local growers and 600,000 tonnes of rice from millers for the current Aman rice season. But since the beginning of the procurement period last month, it could buy only 507 tonnes of parboiled rice and 27 tonnes of paddy as of December 2. This is the first time in three years that the government turned to overseas markets to refill food stocks and intervene in the market through various social safety net schemes to curb a spike in the price of a staple food. Food stocks dipped 43 per cent year-on-year to 7.9 lakh tonnes as of December 2 this year, according to the food ministry.

Source: <https://www.thedailystar.net/business/news/govt-import-5-lakh-tonnes-rice-2007145>

## Bumpy road awaits exporters

- The rise of mega trading blocs, potential adverse consequences of LDC graduation, growing competition in key markets and a weakened multilateral system will make Bangladesh's trade journey challenging during the eighth five-year plan period, a think-tank said yesterday. Average tariffs facing Bangladesh's export are set to rise by 9 per cent, and potential shipment loss could be to the tune of 14 per cent following the graduation to a developing nation in 2024, the Centre for Policy Dialogue (CPD) said. Following graduation, Bangladesh will lose 1 per cent to 4 per cent of its annual exports amounting to \$7 billion, said Shamsul Alam, a member of the General Economics Division of the Planning Commission. He spoke during a virtual discussion on "The Eighth Five Year Plan: Addressing Covid-19 Challenges and Sustainable LDC Graduation", organised by the CPD.
- The possible fall in the export (around 5.7 per cent annually) could cause a loss in employment, particularly in the garment sector. An estimated 538,770 jobs could be lost due to preference erosion. The 8FYP covers the midway journey towards attaining the goals and targets of the Sustainable Development Goals (SDGs) by 2030. Zahid Hussain, a former lead economist of the World Bank's Dhaka office, said the country needs relief from the virus and the economic distress in the next two years. The support measures unveiled by the government have to be implemented properly, he said. Along with monetary support, the role of fiscal policies has to be strengthened as the former alone can't help the country ride out the crisis.

Page | 15

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/basic-bank-launches-contactless-credit-card-1607362373>



# Apparel Market

## High-end products still a long way off

- Bangladesh's apparel industry is struggling to graduate to a producer of high-end items despite being in the business for four decades and one of the top suppliers globally, missing out on the opportunity to receive premium prices from international retailers and brands. The multi-billion-dollar industry, which contributes about 85 per cent to the national export, has embraced a lot of reforms since the 1980s. Still, investment has been less in the production of value-added garment items. High-end garment items products are meant for upscale customers and are made from expensive fibres and are specially designed by very experienced designers. It requires a more skilled workforce and sophisticated technologies to produce expensive products. Bangladesh is strong in the manufacturing of garments from cotton fibre. Nearly 80 per cent of garment items in Bangladesh are manufactured from cotton fibre. About 80 per cent of the garment exports fall within the price range of \$15 per kilogram, and only 20 per cent items get a price more than \$15 and a tiny fraction gets \$35, according to research by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). The narrative of the industry has to change to be able to tap the high-end market, said the BGMEA.

Source: <https://www.thedailystar.net/business/news/high-end-products-still-long-way-2006661>



## India plans to allow relinquished coal-fired plants to sell power

- India's power ministry proposes letting coal-fired power plants keep selling power after completing their agreements with buyers, a letter seen by Reuters shows, despite national promises to close old plants to curb pollution. The proposal, if approved, would help old coal plants earn additional revenue, increase liquidity in short-term power markets and help distribution companies in states facing a power deficit access cheaper power, the ministry said in the draft proposal.
- Power Minister R.K. Singh and Finance Minister Nirmala Sitharaman have previously said they plan to shut old coal-fired power plants. The environment ministry has also pushed for shutting down coal plants, which account for 80 per cent of India's industrial pollution, if they do not comply with green laws. Distribution companies operated by states such as Punjab, Delhi, Andhra Pradesh and Odisha want to surrender power allocated by federal government-run utilities after the plants complete 25 years. A list compiled by the power ministry in 2019 shows distribution companies wanted to surrender power generated from utilities with a capacity of 5.75 gigawatts.

Source: <https://www.thedailystar.net/business/news/india-plans-allow-relinquished-coal-fired-plants-sell-power-2006925>

## Oil falls on surging virus cases and US-China tensions

- Oil prices slipped on Monday as the positive impact from COVID-19 vaccines and an Opec+ deal on oil production cuts was undermined by surging coronavirus cases and heightened tensions between the United States and China.
- Brent crude fell 76 cents, or 1.5 per cent, to \$48.49 a barrel by 0911 GMT. US crude was down 82 cents, or 1.8 per cent, at \$45.44. Reuters exclusively reported that the United States was preparing to impose sanctions on at least a dozen Chinese officials over their alleged role in Beijing's disqualification of elected opposition legislators in Hong Kong.
- Both oil contracts gained last week after Opec+, comprising of the Organization of the Petroleum Exporting Countries (OPEC) and its allies, agreed to increase output slightly from January but continue the bulk of existing supply curbs. Iran, meanwhile, has instructed its oil ministry to prepare installations for the production and sale of crude oil at full capacity within three months.

Source: <https://www.thedailystar.net/business/news/oil-falls-surging-virus-cases-and-us-china-tensions-2007537>





**Graphics and Design**

**Farzana Afroz**

**PO, R&DU**

**DHAKABANK**  
L I M I T E D  
EXCELLENCE IN BANKING

**Published By**

**Research and Development Unit**

**SEL Trident Tower [Level 06]**

**57 Purana Paltan Lane, VIP Road, Dhaka- 1000**

**Email: [rnd@dhakabank.com.bd](mailto:rnd@dhakabank.com.bd)**