



AHM Mozammel Hoque, chairman of Hamid Fabrics, presides over the company's 25th annual general meeting at Trust Milonayaton in Dhaka on December 28. The company approved 10 percent cash dividend for general shareholders. Abdullah Al Mahmud, managing director, was present.

# Drugmakers to hike US prices of more than 200 medicines

REUTERS, New York

Drugmakers including Pfizer Inc, GlaxoSmithKline PLC and Sanofi SA are planning to hike US list prices on more than 200 drugs in the United States on Wednesday, according to drugmakers and data analyzed by healthcare research firm 3 Axis Advisors.

Nearly all of the price increases will be below 10 percent, and around half of them are in the range of 4 to 6 percent, said 3 Axis co-founder Eric Pachman. The median price increase is around 5 percent, he said.

More price increases are expected to be announced later this week, which could affect the median and range.

Soaring US prescription drug prices are expected to again be a central issue in the presidential election. President Donald Trump,

who made bringing them down a core pledge of his 2016 campaign, is running for re-election in 2020.

Many branded drugmakers have pledged to keep their US list price increases below 10 percent a year, under pressure from politicians and patients.

Drugmakers often negotiate rebates on their list prices in exchange for favorable treatment from healthcare payers. As a result, health insurers and patients rarely pay the full list price of a drug.

Pfizer will hike prices on more than 50 drugs, including its cancer treatment Ibrance, which is on track to bring in nearly \$5 billion in revenue this year, and rheumatoid arthritis drug Xeljanz.

Pfizer spokeswoman Amy Rose confirmed the company's planned price increases. She said the company plans to increase the list prices on

around 27 percent of its portfolio in the United States by an average of 5.6 percent.

Of the medicines with increases, she said 43 percent of them are sterile injectibles, and many of those increases are less than \$1 per product.

GlaxoSmithKline said it will raise prices on more than 30 drugs. The company will raise prices on the blockbuster respiratory treatments it delivers through its Ellipta inhaler, its recently acquired cancer drug Zejula and on several products in its HIV-focused ViiV joint venture, according to 3 Axis Advisors. Price increases ranged between 1 percent and 5 percent.

Sanofi said it will raise prices on around 10 of its drugs, with hikes ranging between 1 percent and 5 percent. The drugmaker noted the increases are in line with its commitment to not raise prices above medical inflation.

Teva Pharmaceutical Industries Ltd raised prices on more than 15 drugs, in some cases by more than 6 percent, according to 3 Axis Advisors. A Teva spokesperson said the company regularly reviews prices in the context of market conditions, availability and cost of production.

3 Axis advises pharmacy industry groups on identifying inefficiencies in the US drug supply chain and has provided consulting work to hedge fund billionaire John Arnold, a prominent critic of high drug prices.

Ian Spatz, a senior adviser at consulting firm Manatt Health, said that drugmakers could be holding to relatively low price hikes in an attempt to stay out of politicians' crosshairs. Trump, for instance, targeted Pfizer after a proposed round of price increases in 2018, saying in a tweet that the drugmaker "should be ashamed."

"I'm sure many manufacturers are interested in making sure they are not called out on a large list price increase," Spatz said.

The United States, which leaves drug pricing to market competition, has higher prices than in other countries where governments directly or indirectly control the costs, making it the world's most lucrative market for manufacturers.



The GlaxoSmithKline (GSK) logo is seen on top of GSK Asia House in Singapore.

## Indonesia plans fixed fees for e-wallet transactions

REUTERS, Jakarta

Indonesia plans to impose fixed fees on some e-wallet transactions, five people familiar with the matter said, in a move that could choke a key revenue stream and raise costs for payment startups backed by the likes of Alibaba's Ant Financial.

Providers of e-wallet services in Southeast Asia's largest economy currently customize fees for vendors, charging a premium from big retailers and absorbing costs for smaller merchants in an effort to get them to use their platforms.

But Bank Indonesia has already held talks with the biggest digital-payment startups to make fees on QR code transactions uniform, the people said, building on its move in August to standardize electronic payments that use the matrix barcode. Bank Indonesia did not respond to repeated messages and calls requesting comment.

Leading the pack of e-wallet firms in the country is home-grown ride-hailing startup Gojek, backed by firms including Alphabet's Google, and startup OVO, in which Gojek rival Grab has a stake. Ant Financial's e-wallet DANA trails them, along with state-owned payments platform LinkAja.

The central bank wants to fix some e-wallet transaction fees at 0.7 percent, the people added, a move that could deter smaller merchants that now pay next to nothing from staying on the e-wallet network or force the latter to increase incentives.

Fixed fees on payments at bigger vendors, like Starbucks, that are currently charged as much as 2 percent, would also dent revenue for the e-wallet firms, the people said.

The startups have already burned through millions of dollars in incentives to lure vendors in Indonesia, where a multi-billion dollar digital payments industry has flourished as over half its nearly 270 million population have no bank accounts.

The country's internet economy was \$40 billion this year and is expected to grow more than three fold by 2025, according to a report here by Google, Temasek and Bain & Co. Bank Indonesia is yet to decide on fees on transactions made at bigger vendors, the people said, with one person close to the talks adding it could also be fixed at 0.7 percent.

A big retailer is typically charged between 0.5 percent to 2 percent, one of the people said. As a benchmark, Visa and Mastercard charge around 2 percent to 3 percent.

"This will hurt all of us," said an executive at an Indonesian e-wallet firm, who was not authorized to speak to media and did not want to be named.

The fee earned on e-wallet transactions would have to be split three ways under the new system, sources said: between the e-wallet companies, middle-men payment processors, and the National Electronic Transaction Settlement - a consortium of major Indonesian lenders.

Until now e-wallet firms either kept the whole fee or split with some payment processors, and no lenders were involved.

## India cuts tax on palm oil imports, could lift shipments

REUTERS, Mumbai

India has cut import taxes on crude and refined palm oil from Southeast Asian (Asean) countries after a request from suppliers, a government notification said on Tuesday.

The reduction will lead to higher imports of palm oil by the world's biggest edible oil buyer in coming months as it would narrow the difference between the tropical vegetable oil and competitors such as soyoil and sunflower oil.

Higher imports could support Malaysian palm oil prices, which have risen 44 percent in 2019.

The duty on crude palm oil was lowered to 37.5 percent from 40 percent, while a tax on the refined variety was cut to 45 percent from 50 percent, the notification said.

The revised lower tax would apply

to almost all palm oil imports as India primarily imports palm oil from Indonesia and Malaysia, which are members of the ASEAN group, refiners said.

Imports of refined palm oil are set to jump in the coming months as the duty gap between crude and refined palm oil has narrowed to 7.5 percent from 10 percent earlier, said B.V. Mehta, executive director of the Solvent Extractors' Association (SEA), a Mumbai-based trade body.

"The new duty structure has opened the floodgate for refined palm oil. It is detrimental to local refiners," Mehta said.

The SEA has requested Indian government to maintain a duty difference between crude and refined palm oil to 10 percent, he said.

India relies on imports for 70 percent of its edible oil consumption,

up from 44 percent in 2001/02. Palm oil accounts for nearly two-thirds of India's edible oil imports of around 15 million tonnes, according to data compiled by SEA.

India's palm oil imports fell 3 percent in November from a year ago to the lowest level in 17 months.

Indonesia and Malaysia, the top two palm oil producers, were seeking a reduction in the Indian import tax to cut inventories.

Palm oil competes with soyoil and sunflower oil in Indian markets.

India on Tuesday kept import tax on soyoil and sunflower oil unchanged, which could make imports of palm oil more attractive, said Sandeep Bajoria, chief executive of the Sunvin Group, a Mumbai-based vegetable oil importer.

India imports soyoil mainly from Argentina and Brazil and sunflower oil from Ukraine and Russia.



Workers unload palm fruits in a state-owned crude palm oil processing unit in North Sumatra, Indonesia.

## Airbus ousts Boeing from top spot

REUTERS, Paris

Airbus has become the world's largest planemaker for the first time since 2011 after delivering a forecast-beating 863 aircraft in 2019, seizing the crown from embattled US rival Boeing, airport and tracking sources said on Wednesday.

A reversal in the pecking order between the two giants had been expected as a crisis over Boeing's grounded 737 MAX drags into 2020. But the record European data further underscores the distance Boeing must travel to recoup its market position.

Airbus, which had been forced by its own industrial problems to cut its 2019 delivery goal by 2-3 percent in October, deployed extra resources until hours before midnight to reach 863 aircraft for the year, compared with its revised target of 860 jets.

Deliveries rose 7.9 percent from 800 aircraft in 2018.

Airbus declined to comment on the figures, which must be audited before they

can be finalised and published.

Planemakers receive most of their revenues when aircraft are delivered - minus accumulated progress payments - so the end-year delivery performance is closely monitored by investors.

Airbus's tally, which included around 640 single-aisle aircraft, broke industry records after it diverted thousands of workers and cancelled holidays to complete a buffer stock of semi-finished aircraft waiting to have their cabins adjusted.

Airbus has been hit by delays in fitting the complex new layouts on A321neo jets assembled in Hamburg, Germany, resulting in dozens of these and other models being stored in hangars to await last-minute configurations and the arrival of more labour.

Such out-of-sequence work drives up costs and could have a modest impact on Airbus profit margins, but the impact will be largely blunted by the high volume of planes and already solid profitability for such single-aisle aircraft, analysts say.



REUTERS/FILE

General view in a new A320 production line at the Airbus plant in Hamburg, Germany.

## China's largest potash producer fails in fifth bid to raise funds

REUTERS, Shanghai

China state-owned Qinghai Salt Lake Potash Co, the country's largest potash producer, failed to sell its assets in a fifth round of auctions on Wednesday aimed at raising funds and avoid being delisted from the Shenzhen Stock Exchange.

The debt-laden company filed for bankruptcy with the Qinghai province court in September and halted trading in its shares in November.

After posting net losses in 2017 and 2018, it has said it would be delisted if it reported a net loss for third successive year.

A 24-hour auction on China's Taobao e-commerce site listed equity, shares and debt receivables in two of its subsidiaries, plus fixed assets and inventories, for sale.

The assets were valued at 25.425 billion yuan (\$3.64 billion), but drew an opening price of only around 4.27 billion yuan (\$612.05 million), according to the auction listings on Taobao.

At the end of the latest auction on Wednesday, Qinghai Salt Lake had garnered no bidders, according to the site. Four previous auctions held in the past month also failed to attract any bids, the company said in a regulatory filing in December.

Investors in the state-owned company include oil-and-chemical conglomerate Sinochem Group.

"Should the company be forced to file for bankruptcy protection, we don't believe this would materially impact its potash business," said Humphrey Knight, senior analyst for potash at CRU International.

## US consumer confidence dips slightly in Dec



REUTERS/FILE

People shop at a department store during the Black Friday sales in New York.

Afp, Washington

US consumers were a little less confident in December, as hopes for jobs and wages dimmed slightly, survey data showed Tuesday.

Overall, consumer confidence remained at solid levels, but the unexpected dip hit during the crucial holiday shopping period. Consumer spending is a mainstay of the world's largest economy.

Lynn Franco, head of economic indicators at the Conference Board, which produces the monthly report, said the numbers reflected a belief that the economy's expansion could lose steam at the start of next year.

"While the economy hasn't shown signs of further weakening, there is little to suggest that growth, and in particular consumer spending, will gain momentum in early 2020," she said in a statement.

The closely-watched Consumer Confidence Index fell marginally to a reading of 126.5, retreating from an upwardly revised 126.8 November level and falling short of economists' expectations.

Survey respondents said their current situations improved: those saying business conditions were "good" were unchanged at 38.7 percent while those who said conditions were "bad" fell 2.5 points to 11.1 percent.

The short-term outlook was less rosy, however. Those expecting more jobs in the months ahead were less numerous, falling 1.2 points to 15.3 percent, but those expecting fewer jobs rose 1.5 points to 14.9 percent.

The share expecting lower incomes also rose 1.5 points to 7.7 percent.