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## Exporters pin big hopes on Bhutan

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They look to higher trade as cabinet okays bilateral deal

REFAYET ULLAH MIRDHA and REJAUL KARIM BYRON

Bangladesh's exports to Bhutan would get a huge boost once the two sides sign the proposed preferential trade agreement, said exporters and experts vesterday.

They say the move would create new trading opportunities between the two countries. The PTA will ensure duty-free access to major trading items of both countries.

For instance, Bangladesh will enjoy duty benefits on the shipment of garments and clothing accessories, jackets and blazers, plywood, particle boards, mineral and carbonated water, green tea, orange juice, pineapple juice and guava juice.

The Bhutanese goods that will be eligible for the preferential treatment include milk, natural honey, wheat, jams, fruit jellies, marmalades, food preparations of soybeans, mineral water and carbonated water, wheat bran, quartzite, cement clinkers, portland cement, soap, wooden particle boards, ferrosilicon, iron bars and rods or non-alloy steel and wooden furniture.

"We have started a new journey by approving the PTA with Bhutan," said Commerce Minister Tipu Munshi by phone after the cabinet approved the agreement.

Once signed, this would be Bangladesh's first bilateral trade agreement with any country. More than 100 Bangladeshi-origin goods will

"We have started our journey in a new era of business by approving the PTA with Bhutan. I am hopeful of signing more FTAs and PTAs with some other potential trading **COMMERCE MINISTER** partners within next Tipu Munshi few years." "We see opportunities everywhere, especially when it's within our South Asian region. **BGMEA** president

Dibrugar Bhutan **MAJOR POINTS** > The cabinet committee has approved the PTA with BIHAR > This is the first bilateral PTA MEGHALA of Bangladesh > Local agro-processing and garment industries to benefit immensely Bangladesh) > Bhutan can be a major source for beverage industry of Bangladesh > Bhutan has agreed to give WEST BENGAL duty-free access to 100 Jamshedpur Bangladeshi goods जमशेदपुर Kolkata > Bangladesh offers duty-free access to **34** Bhutanese Bhadrak > Bilateral trade was \$**57.9**m in fiscal 2018-19

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come under the PTA to be signed within the next month. Bangladesh will allow duty-free import of 34 Bhutanese goods, he said.

Rubana Hug

Business leaders and exporters were equally elated.

Khan Chowdhury, Ahsan chairman and CEO of Pran-RFL Group, said his company has been performing strongly in Bhutanese markets for years because of the business will grow faster to Bhutan due to this

high demand of goods the local conglomerate produces. The company mainly exports plastic goods for household purposes, noodles, confectionery items, juices, beverages, biscuits and energy drinks to Bhutan.

"If my company enjoys duty-free benefits on the exports, the shipments will grow,

Khan told The Daily Star. Pran-RFL Group ships \$2.5 lakh worth of products to Bhutan every month. "I hope my

Bhutan can also be a good source for processed fruit juice. The Himalayan nation produces a lot of orange and kinnow. Bangladesh can import a lot of citric fruits to process and re-export as juice to other countries

or sell in the domestic markets, he said.

"I welcome the move," Khan said. The two-way trade between Bangladesh and Bhutan was \$57.9 million in fiscal 2018-19. Bangladesh exported more than \$300,000 worth of garment items to Bhutan at 30 per cent duty, Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association.

"We see opportunities everywhere, especially when it's within our South Asian

Shams Mahmud, president of the Dhaka Chamber of Commerce and Industry, said the Bhutanese market might be smaller compared to its South Asian peers, but it still is an important market for exports and imports.

He said Bangladesh is heavily dependent on garment items, so the planned agreement can create opportunities for both countries to trade agricultural products.

Some selected sectors like plastic goods, light engineering and electronic goods will immensely benefit from the PTA, he said.

MA Razzaque, research director at the Policy Research Institute of Bangladesh, said Bhutan is important both as a trading partner and as a strategic partner. Mahmud suggested the government strike deals with countries in Africa and Latin America so that local manufacturers

do not face any lean period in exports. In Bangladesh, the garment sector, the main foreign currency earner, faces a lean season in June, July and August because of a lack of work orders from North American and European retailers and brands.

"If Bangladesh can sign deals with African and Latin American countries, local manufacturers will be able to keep their factories up and running throughout the year," he said.

Razzaque said Bangladesh needs to ink trading deals with important partners like the European Union, the UK, the members of the Association of South-East Asian Nations and China for the continuation of zero-duty benefits even after the graduation from the group of the least-developed country (LDC) to a developing country by 2024.

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## Govt to import 1 lakh tonnes of onion soon

Says commerce minister; NBR refuses to withdraw 5pc duty, reasoning it has no negative effect

REFAYET ULLAH MIRDHA

The government has decided to import one lakh tonnes of onion as soon as possible to rein in skyrocketing prices in the local markets, Commerce Minister Tipu Munshi told The Daily Star yesterday.

Import of the widely consumed vegetable has already begun and it will continue until the next harvesting season, mainly to ensure affordable prices for consumers, he said.

Supply shortages and disruptions in supply chains are the most common excuses coming up justifying the rise. This week the local variety sold at Tk 60-Tk 65 per kilogramme (kg) while the imported ones Tk 55-Tk 60.

Even a month ago the rate in in the local markets.

Dhaka's kitchen markets was Tk 25-Tk

In tune with the price hike, the state-owned Trading Corporation of Bangladesh (TCB) started open market sale (OMS) through trucks from Sunday offering each kg for Tk

Despite the abnormal rise, the National Board of Revenue (NBR) in a circular yesterday maintained that it could not keep the commerce ministry's request to withdraw a 5 per cent duty on onion import.

In a letter to the NBR, the ministry had suggested that the tax administration withdraw the duty to encourage imports and thereby increase supply to bring down prices

However, the NBR declined, citing in the circular that the duty does not have any negative impact on prices.

The TCB has already started making purchases from local markets and areas bordering India to increase stocks meant for the OMS, said

We will also import onion from Turkey and other countries so that the price goes down in the local markets," he said over the phone. The TCB has even been suggested to make direct purchases from wherever it could.

Responding to a question, the minister also said the prices usually go up in domestic markets from September and it continues till December when the harvesting season

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AMRAN HOSSAIN

People queue for onion at Tk 30 per kilogramme, effectively saving Tk 15 on every metric weight unit as per yesterday's rate by skipping kitchen markets for this open market sale (OMS) of the Trading Corporation of Bangladesh. The photo was taken in front of the National Press Club in Dhaka yesterday.

## Dual role of drug makers: standing up for humanity, doing business

**KEY POINTS** 

Domestic market size:

Tk **22,000**cr

Local demand was

Tk **18,755.6**cr in 2017

Local companies meet

**97**% demand

Total export destinations: **144** 

Number of drug makers:

200

Major players: Square,

Eskayef, Incepta, Beximco,

Beacon, Opsonin, Renata

STAR BUSINESS REPORT

Bangladesh's pharmaceuticals sector is managing to not only play its supportive role amidst the ongoing Covid-19 pandemic but also maintain business growth, all because of its compliance with international standards when it comes to product quality, cite industry insiders with pride.

"The pharmaceuticals sector passed a terrible time during the lockdown to continue day to day work," said Syed Golam Rahman, managing director of Lab Aid Pharmaceuticals.

"Fortunately the sector managed to manufacture drugs for supportive treatment though there is no specific medicine for Covid-19 patients in the world," he said.

Rahman was addressing a webinar on "Pharmaceutical sector under Covid-19 spotlight: how it can seize business opportunities and perform social responsibilities" organised by The Daily Star on Sunday evening.

The sector has worked hard since the emergence of the pandemic, particularly its marketing section, to reach necessary medicine to remote areas of the country, he said.

135.79 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20

demand and in the near future would meet the

remaining 3 per cent. "The industry flourished and there According to him, the pharmaceuticals is a quality gap between domestic and sector catered to 97 per cent of the domestic multinational companies," noted Rahman.

The quality of products is ensured through the selection of globally renowned manufacturers when importing active pharmaceutical ingredients (API), he also said.

The pharmaceuticals industry dominates

the domestic market and now it is time to Organisation, so there is no reason for the win over the global market, said Ahmed Kamrul Alam, director for marketing at Square Pharmaceuticals. "The pharmaceuticals industry is highly

regulated, so there is no scope to compromise with quality of the products," he said. "Now we need to utilise our economic power by investing in research and development to

come up with our own version of medicines in line with generic versions," he said. He believes the sector would further develop

in the future and for this the government's cooperation was required. Regarding product quality, he said company size was not a factor, rather it was performance and product quality. A number of small companies are

performing well, competing with bigger peers by ensuring product quality, said Alam. The quality of drugs can not solely secure

effective treatment, as there is also the need for ensuring proper dosages, he further said.

The pharmaceutical companies Bangladesh proved that there is no difference in quality between the original and generic

versions, he said. sector works under intensive surveillance of the Directorate General of Drug Administration (DGDA) and World Health

original and generic versions to vary, Alam said.

The quality of drugs of Bangladesh is the same as that of the US, UK and European countries, said EH Arefin Ahmed, general manager for marketing at Incepta Pharmaceuticals.

The importers audit the quality of products and manufacturing facilities every year to maintain the standard, he said.

Bangladesh is creating around 1,000 pharmacists every year and the companies are getting manpower at low-cost in comparison to developed countries, which will take the

country a long way in the future, he also said. He emphasised on maintaining reasonable prices of products while maintaining quality so that those stayed affordable to the masses.

Regarding the quality, he said Bangladesh's companies were exporting drugs to 144 countries through their proven quality and by securing approvals from global regulatory

During the pandemic, the companies focused on exporting Remdesivir, which has been proven to be effective in treating severe Covid-19 cases, as they had the ability to offer reasonable prices alongside product quality, he said.

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