FAIR ELECTRONICS

Brig Gen Md Shahidul Alam, director general for spectrum division at Bangladesh Telecommunication Regulatory Commission, poses during his visit to Samsung Electronics' manufacturing plant at Narsingdi. Ruhul Alam Al Mahbub, chairman of Fair Group which owns Fair Electronics, an authorised manufacturer of Samsung mobile phones and consumer electronic products, was present.

METROCEM GROUP

Md Shahidullah, managing director of Metrocem Group, and Khandker Ataur Rahman Rifat, chief marketing officer of Metrocem Cement, pose at the latter's "Annual Sales Conference 2020" at Emmanuelle's Banquet Hall in Dhaka on Saturday.

India buys more paddy rice after farmers protest new laws

REUTERS, *Mumbai*

India's new season paddy rice purchases from local farmers rose 21 per cent by the end of October as New Delhi tried to allay farmers' concerns that new agricultural laws mean the federal government will stop buying food grains at guaranteed prices.

India recently approved reforms of its agriculture sector that will allow farmers to sell to institutional buyers and big retailers such as Walmart, but farmers have protested, saying the new legislation could pave the way for the government to stop buying grain at guaranteed prices, leaving farmers at the mercy of private buyers.

Government agencies bought 20.46 million tonnes of paddy rice between the start of the season in the last week of September and the end of October, compared to 16.89 million tonnes during the same period a year earlier, the Department of Food and Public Distribution said on Monday.

Higher purchases will keep paddy rice prices above the minimum support price set by the government even as the country is set to harvest a record crop, but will put pressure on the finances of the government-backed buyer Food Corporation of India (FCI).

Out of the 20.46 million tonnes bought by the agencies, most it, or 14.28 million tonnes, was purchased from the northern state of Punjab, the department said. Punjab is the epicentre of protests against the new agricultural laws.

Prime Minister Narendra Modi's government insists the new rules give farmers the option to sell their produce to private buyers while it would still purchase staples such as rice and wheat at guaranteed prices.

But such assurances have failed to mollify millions of farmers who make up an influential voting bloc in states such as Punjab and Haryana.

Higher government buying is good as it would keep paddy rice prices above the floor price as it limits supplies available for private players, said B.V. Krishna Rao, president of the Rice Exporters Association.

"Export demand is good for Indian rice. We are set to export a record amount of rice this year," he said.

REUTERS/FILE

Women plant rice saplings at a paddy field in a village in Nagaon district, in the northeastern state of Assam.

Tech groups' services could face bans if they breach rules: EU industry chief

REUTERS, *Frankfurt*

Technology companies' services could be banned from the European market if they do not heed EU regulation, Europe's industry chief Thierry Breton told German weekly Welt am Sonntag, as the European Commission finalizes rules on internet companies.

Breton will announce new draft rules known as the Digital Services Act and the Digital Markets Act together with European Competition Commissioner Margrethe Vestager on Dec. 2.

The rules will set out a list of do's and don'ts for gatekeepers - online companies with market power - forcing them to share data with rivals and regulators and not to promote their services and products unfairly.

The new draft rules come as critics of U.S. tech giants, which include companies and industry bodies, question the EU's rulings against Alphabet unit Google, saying they have not curbed its allegedly anti-competitive behaviour. Some want EU enforcers to go further than just ordering companies to stop such practices.

Govt caps MFS's cash-out charge for safety net funds

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The allocation was Tk 81,865 crore in last year's revised budget.

"The government has decided to disburse the social safety net funds through MFS on a priority basis," the notice said.

The move will help the government distribute the funds among the actual beneficiaries. Most MFS providers charge clients Tk 18 as the cash-out fee during withdrawal of Tk 1,000.

"But the new cap on the cash-out charge will not put any adverse impact on our earnings," said Abul Kashem Md Shirin, managing director of Dutch-Bangla Bank, which owns Rocket, one of the largest MFS providers in Bangladesh.

The MFS providers will not spend any money in the form of cash-in charge as the government will distribute the funds electronically, he said.

Cash-out charges will have to be carried by the MFS providers as per the latest government initiative, he said.

MFS providers are supposed to spend Tk 9 as the cash-out charge per Tk 1,000 withdrawal. But the government will pay Tk 7, meaning the operators will have to provide some subsidies, Shirin said.

"The subsidy will not create any burden for the MFS providers as the government will bring a large number of unbanked people under the formal financial system," said Kamal Quadir, chief executive officer of bKash, the country's largest MFS provider in terms of transaction and number of accounts.

The unbanked people, which will get the social safety net fund, will be accustomed to using MFS to settle other financial transactions, he explained.

"This will ultimately push up the overall financial transaction through MFS providers, which will help them get back the subsidy in phases," Quadir said.

The number of active MFS accounts rose 19.32 per cent year-on-year to 4.10 crore in September, according to data from the central bank.

September's MFS transaction amount stood at Tk 49,121 crore, up 18.6 per cent from that one month ago and 38.63 per cent from that one year earlier.

This is the second-highest amount since July when the country's 15 MFS providers posted a record amount of Tk 62,999 crore. Bangladesh introduced MFS nearly a decade ago.

Shirin said that a large number of beneficiaries of the social safety net programmes now collect funds through state-owned Sonali Bank, where they have to maintain a long queue.

Now, they will not have to face such hassles when the fund will be distributed through MFS.

In addition, the beneficiaries will have to open accounts with MFS providers, which will ensure the transparency for the disbursement of the fund, he said.

Quadir also echoed Shirin, saying the actual beneficiaries will get the financial support from the government's programme.

"The government decision will accelerate its ongoing financial sector digitalisation programme," said Tanvir A Mishuk, managing director of Nagad, a digital financial service arm of the postal department and also the fastest-growing MFS carrier in the country.

The number of MFS agents stood at 10.17 lakh in September in contrast to 9.51 lakh one year ago.

In April, the government allocated Tk 1,250 crore for the 50 lakh poor families whose breadwinners were rendered unemployed because of the coronavirus pandemic and most of them were disbursed through the four MFS carriers. The government distributed cash support among 35 lakh beneficiaries.

When the initiative was rolled out, Nagad, bKash, Rocket and SureCash were each given the responsibility to transfer the funds to 17 lakh, 15 lakh, 10 lakh and 8 lakh account holders.

Nagad distributed Tk 324.5 crore among 12.9 lakh beneficiaries, while bkash channelled about Tk 234 crore among 9.3 lakh beneficiaries. Rocket disbursed Tk 177.4 crore among 7.1 lakh recipients and SureCash Tk 120.8 crore among 4.8 lakh beneficiaries, according to a finance ministry report.

Industries vexed at no-gas plan outside economic zones

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Md Anisur Rahman, secretary of the energy and mineral resources division, told The Daily Star that the circular had been issued to encourage planned industrialisation and avoid the unplanned ones.

"We issued the circular as per the direction of the prime minister, and we will follow it strictly to discourage unplanned industrialisation and protect agricultural land," he said.

"We will run campaigns about our circular to stop unplanned industrialisation. Industrial gas connections will not be provided after March 2021," he added.

About the industries that have already been set up and are awaiting gas connections, he said obviously they would have to complete legal and official formalities to avail the connections.

Rahman also said they could avail physical connection later, but official formalities would have to be completed within the stipulated time.

Manwar Hossain, group managing director of the Anwar Group of Industries, said the directive would hinder the influx of fresh investment from new industries as investors would not be able to expand their operations.

"If industrialists do not get gas connections, they will not be able to expand. How will they then survive the competition?" he asked.

According to him, the directive could not be termed as visionary. "This type of directive will not bring any good result for the industrialisation as existing industrialists have already settled in the locations that suit them right."

The government should allocate plots to existing industries if it wanted to stop industrialisation outside the economic zones, he said.

Paban Chowdhury, executive chairman of the Beza, said investors settling in any of the economic zones would get gas connections.

Now gas is available at all operational or under-construction economic zones, including the BSMSN, the Jamalpur economic zone and the Moulvibazar economic zone. Besides, gas connections are available at all private economic zones, he said.

There was no gas at the Mongla economic zone because of an absence of a supply network in Bagerhat district.

Regarding the directive of the energy and mineral resources division, he said they wanted planned industrialisation to avoid gas pipelines being laid in a scattered manner.

He further said the directive was the division's decision and that it had no connection with the Beza.

Mohammed Amirul Haque, managing director of Premier Cement, said investors have who already started new projects and planned expansions would face problems if they could not avail gas connection.

The idea of the economic zones is good for planned industrialisation and the environment and for protecting the land, but the government should give a thought to the existing and already-approved plans for industries, he said.

"Many industrialists have already invested in new projects or purchased land to expand their operations. How will they roll back their investment plans?" he asked.

BSCIC Chairman Md Mostaque Hassan said around 35 per cent of the 76 industrial parks of the BSCIC has gas connections. The remaining 65 per cent of the parks have no gas connection due to the absence of gas supplies in the respective districts.

The parks in the northern district, except for Saidpur, Nilphamari and Bogura, have no gas. Investors are available where gas is available, and almost all plots are booked in these parks.

In the Sylhet region, there are no investors, although the BSCIC provides gas and power. The people in the Sylhet region, including the expatriates, are not interested in making investments, he said.

The business leaders say the government should pay special heed to the micro, cottage, small and medium enterprises as these units are the pillar of the economy and catalyst for employment generation.

There are more than 8.8 million cottage, micro, small and medium enterprises, many of which cannot buy land at the economic zones to set up industries.

Bangladesh on track to becoming a $6b pharma market by 2025

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In recent times, local pharmaceutical companies have emerged as a game-changer by contributing more than 90 per cent of the overall available medicines in the market.

Market players estimate that the local market size of the sector was about Tk 25,000 crore ($3 billion) in 2019. In 2012, it stood at about Tk 9,390 and in 2017 it hit Tk 18,755.6 crore, according to the IMS Health Care Report.

The pharmaceutical industry, a winner of the global market through dynamism and technology, experienced tremendous growth in the last decade and currently contributes 1.83 per cent to the country's gross domestic product (GDP), according to industry people.

Local pharmaceutical makers still have immense potential in the healthcare sector, as Bangladeshis spend around $2.04 billion abroad annually for medical treatment, which is 1.94 per cent of the country's GDP, according to a market analysis by the Bangladesh Investment Development Authority (Bida).

The demand for healthcare services is growing at about 21 per cent annually thanks to the increasing purchasing power of the growing middle and upper-middle classes, the Bida said.

The notable change that attracted the world towards Bangladesh is a consequence of innovation in the science and research and development sector, the Research and Markets said in its report.

Rise in life expectancy, growing per capita income, changing disease profile, population growth, lifestyle changes and increasing patient population are some of the key drivers that are boosting consumption in the local market, it said.

In the upcoming years, the government of Bangladesh will play a significant role in the rapid growth of the pharmaceutical market by providing favourable policies for easy drug approval, production and marketing of new products, the Irish firm expects.

The government is focusing on reducing the country's dependence on the import of raw materials. The establishment of an API Park will act as a turning point for this purpose.

The top 50 companies are setting up their facilities at the Active Pharmaceuticals Ingredient Industrial Park in Munshiganj that will help in the production of patented and already opened active pharmaceuticals ingredients.

It is expected that the development of the API Park will be complete by the next two years, which will reduce the expenditure related to the import of raw materials.

The report said the share of generic drugs is expected to surpass 85 per cent by 2025, which will further strengthen the dominance of local pharmaceutical companies in the market.

"The capacities of local companies are improving, and they are expanding their facilities and investing in research and development, which will help the sector grow," said SM Shafiuzzaman, secretary-general of the Bangladesh Association of Pharmaceutical Industries (BAPI), a platform of about 250 local drug-markers.

He also said the availability of workforce is also an essential factor for the sector to flourish.

There is no difference in quality between original products and the generic products manufactured in Bangladesh, he said. "Bangladeshi pharmaceutical products have always maintained global standards."

"The quality and global image of Bangladesh's medicines are better than the generics produced in India and Egypt," said Monjurul Alam, Beacon's director for global business.

"Since our labour cost and utilities are cheaper than in many countries, our products are more affordable compared to other medicine manufacturing nations."

The general people of Bangladesh can now afford medicines as their purchasing power has increased four times in the last 20 years, he said.

"Moreover, people are well aware of diseases now. Chronic diseases are increasing, which need a regular intake of medicines. All these have triggered the domestic market to boom."

Moreover, local companies are investing and developing dedicated facilities for specialised drugs for treating diseases such as cancer, he said.

"At least 10 to 15 facilities are producing products of international standards. We are now working on producing APIs. If we can start the API production, we can offer more advanced drugs at a more affordable price."

The pharmaceutical industry has managed to grow its exports in the current fiscal on the back of steady demand for medicine amid the coronavirus-induced economic and health crises, which have decimated other major export sectors.

"Pharmaceutical products are essential for all countries. That is why the industry's exports did not decline amid the Covid-19 outbreak. Rather, it rose."

Pharmaceutical shipments soared 4.49 per cent year-on-year to $136 million in fiscal 2019-20 following improvements in product quality and policy support.

The industry is one of the handful of sectors that ended the fiscal year in the black when national exports fell 16.93 per cent.

The sector fetched $130 million in export earnings in fiscal 2018-19 and $103.46 million in fiscal 2017-18.

"As a least developed country, Bangladesh does not need to follow the patent, making it easy to formulate any generic drug locally," said Ananta Saha, international business manager of Renata.

He said the population of Bangladesh is large, which is one of the main reasons for the local pharmaceutical industry's rapid growth.

Regarding the export forecast, he said it would be achievable as it is easy to export pharma products from an LDC to another.

The efficiency of the local companies is improving, and they are expanding their manufacturing facilities, said Muhammad Halimuzzaman, deputy managing director and chief executive officer of Healthcare Pharmaceuticals.

Rabbur Reza, chief operating officer of the company, believes Bangladesh would be able to reach the export target for 2025 if the local sector continues to grow at the current rate.

However, he said Bangladesh has to wait until June next year to find out the pharmaceutical industry's accurate growth rate, which will indicate whether the industry will be able to reach the $6 billion target by 2025.

The economic growth of the country is helping the sector grow faster, he said.

The rising purchasing power of the people and awareness about the treatment is working as a driving force for the sector, he added.