

Tap TRIPS to export patented drugs to LDCs

Speakers say at Asia Pharma Expo 2007

STAR BUSINESS REPORT

Speakers at a function in Dhaka yesterday urged the local medicine exporters to utilise the opportunity of TRIPS agreement, under which Bangladesh is allowed to export patented drugs to other LDC member countries until 2016.

The agreement, TRIPS (Trade Related Intellectual Property Rights) of WTO (World Trade Organisation), has opened doors to enormous opportunities for the Bangladesh pharmaceuticals sector, they said, because, Bangladesh is the only country among the 50 LDCs which has strong manufacturing base of finished pharmaceuticals.

They were speaking at the inaugural ceremony of an international exposition styled Asia Pharma Expo 2007 at the China-Bangladesh Friendship Conference Centre.

A total of 400 pharmaceutical companies from home and abroad are participating in the mega exposition and displaying their products and technologies.

Professor (Emeritus) Sufia Rahman, adviser in charge of the Ministry of Health and Family Welfare, Labour and Manpower, formally inaugurated the fair jointly organised by Bangladesh Association of Pharmaceutical Industries (BAPI) and GPE Expo Pvt Ltd.

Dr Md Habibur Rahman, director of the Drug Administration Directorate, S M Shafiuzzaman, president of the BAPI, addressed the opening of the three-day exposition.

Nazmul Hassan, secretary general of the BAPI, presented a keynote paper on prospects of Bangladeshi medicines to the world market.

He said all the LDCs in the WTO are exempted from 'Pharmaceutical Patent Protection' until 2016, according to the Doha declaration.

Bangladesh is also an incredibly lucrative location for pharmaceuticals manufacturing for its ample supply of highly skilled white collar workforce, low labour cost and availability of power at low cost, he added.

Echoing the BAPI's secretary general, the health adviser also urged the exporters of medicine to



Visitors crowd a stall at the 3-day Asia Pharma Expo 2007 that began at the China-Bangladesh Friendship Conference Centre in Dhaka yesterday.

utilise the opportunity under timeframe of TRIPS.

"Besides taking other market developing measures, pharmaceuticals exporters should fully avail of the WTO's opportunity at the same time," she said.

On a demand for establishing an API park, she said the government already acquired lands at Meghna Ghat at Bawshia for this active pharmaceuticals ingredient park.

After the handover of the lands, the pharmaceuticals entrepreneurs would get the opportunity to produce raw materials of pharmaceuticals locally, which would be a milestone for the sector, she added.

"I think, it is possible to earn Tk5000 crore from exporting pharmaceuticals, if a congenial atmosphere for the sector's further development is ensured," Sufia Rahman said with conviction.

She also asked the local pharmaceuticals entrepreneurs to invest in development of herbal medicines. She suggested more investment in pharmaceuticals research work so that new drugs

are innovated.

Earlier, the pharmaceuticals exporters spelt out some demands before the adviser, which include providing export incentives, setting up of an independent drug testing laboratory and amending some clauses of national patent law.

Responding to their demands, the adviser to the caretaker government said it is too late to raise the problematic issues in the pharmaceutical sector. Because, she added, the caretaker government already passed a few days to resolve the political unrest.

"Actually we could not do what we planned after taking charge of the caretaker government," she said.

The BAPI president urged the government to resolve the political instability as soon as possible.

He said, "We hoped businessmen will pass through the best environment in the tenure of caretaker government. But unfortunately, all the businessmen have been passing the severest-ever crisis during the time."

By taking part in the exposition,

the participants would get an opportunity of holding meaningful business meetings with their South Asian Pharma Community, he said, hoping that the exposition would make an effective and meaningful contribution towards expansion of the Bangladeshi pharmaceuticals products.

Meanwhile, Bangladeshi pharmaceuticals manufacturers are producing almost all drugs locally, which meet 97 percent of the total demand. The country also exports its drugs and medicines to 67 countries round the world.

Eskayef Bangladesh Ltd. and Bexmco Pharmaceuticals Ltd. are sponsoring the event. The organisers expect participation of more than 8,000 professionals from home and abroad in the show.

Ministry of Health and Family Welfare, Export Promotion Bureau, Indian Drug Manufacturers Association, Pharmaceutical Export Promotion Council of India and Engineering Export Promotion Council of India are supporting the show.

Brac receives Safa's best presented account award

The South Asian Federation of Accountants (Safa) has awarded Brac the Best Presented Account Award for the year 2005 in the non-government organisation category.

The award, given on the basis of evaluation of Brac's annual audit report for the year 2005, which was forwarded to Safa by the Institute of Chartered Accountants of Bangladesh (ICAB), will be distributed at a ceremony in Colombo, Sri Lanka, says a press release.

Safa is a sub-regional body of accountancy institutes from the member countries of Bangladesh, India, Nepal, Pakistan and Sri Lanka.

In 2002, Safa received the status of Saarc apex body. The permanent secretariat of Safa is located in the Institute of Chartered Accountants of India in New Delhi.

Previously Brac was recognised by the Consultative Group to Assist the Poor (CGAP) with its Financial Transparency Award 2005 for consistently maintaining high level of transparency in its annual financial reporting. Brac was also awarded the ICAB National Award 2004 and 2005 for best presented published accounts and reports.

Banks in China may go public

CEIS, Beijing

Chinese banks have sounded the drum of going public in 2007.

The Communication Bank of China (CBC) has recently convened a meeting of the shareholders, determining to issue less than 4.5 billion A shares; Minsheng Bank plans to issue H shares; and CITIC bank plans to issue A and H shares simultaneously. China Securities Regulatory Commission has endorsed the Industrial Bank Co. Ltd to go public.

Though CBC, which has already floated H shares in 2005, has not published the specific plan and timetable for issuing A shares, informed sources disclosed that some securities companies have already begun to arrange the undertaking. CBC is likely to issue A share in the second quarter of this year to raise 20 billion yuan.

CITIC Bank plans to submit an application to the Hong Kong Stock Exchange in near future, and issue A and H shares simultaneously in the second quarter of this year, aiming to raise 2.8 billion US dollars. It may become the first inland bank to go public in Hong Kong.

There are sources claiming that Minsheng Bank plans to reenter Hong Kong to go public, aiming to raise 1.3-1.5 billion dollars.

Pakistan sees surge in edible oil exports to India

PTI, Islamabad

Pakistan is expecting a surge in its edible oil exports after India announced slashing of customs duty on edible oil imports from that country and Sri Lanka by more than 23 percent under the South Asian Free Trade Agreement (SAFTA).

India is one of the world's largest importers of edible oils and the move would help increase Pakistan's edible oil exports to India, a Pakistan Commerce Ministry official was quoted as saying by "Dawn" daily.

Exporters of the two South Asian countries would now clear their consignments of edible oils to India on a reduced rate of 52.5 percent as against the earlier customs duty rate of 68.75 percent.

India largely imports edible oil from Malaysia, Indonesia, Argentina and Brazil.

Bangas declares 13pc dividend

Bangas Limited has declared a 13 percent dividend for shareholders for the year ending on June 30, 2006.

The dividend was announced at the 26th annual general meeting of the company held at its factory premises in Chuadanga recently, says a press release.

Md Mozammel Haque, managing director of the company, presided over the meeting.

Director and CEO Md Rafiqul Haque, Director Md. Mahubul Haque and Company Secretary SM Shahid-ul-Arafin were present in the meeting.

Remittance grows record 29pc in '06

STAR BUSINESS REPORT

The country saw a record 29.08 percent growth in remittance reaching more than \$5 billion last year against \$4 billion in 2005.

Overseas employment also clocked more than 50 percent growth with 381,516 jobs in 2006 against 252,702 in 2005.

Expatriates' Welfare and Overseas Employment Adviser Professor Sufia Rahman disclosed the information at a press conference in Dhaka yesterday.

"These have been the highest figures in the history of remittance inflow and overseas employment in Bangladesh," she said.

She also noted a total of 18,045 female workers migrated to different countries last year, with 3,196 only in November and December last year.

The adviser said a total of 9,313 Bangladeshi workers went to Malaysia until January 9 this year

since employment process began in October last year.

On an average, about 200 to 500 workers are leaving for Malaysia from Bangladesh every day, she told journalists.

Replying to a question, Expatriates' Welfare and Overseas Employment Secretary Didarul Anwar said the government is negotiating with Malaysia to entrust the state-owned recruiting agency, Bangladesh Overseas Employment and Services Limited (BOESL), with the responsibility of sending workers to the South East Asian country.

Asked on charging the Malaysia-bound workers extra money by some recruiting agencies, he said his ministry has not received any specific allegations in this regard.

He, however, avoided the question why the investigation team has not submitted any report on such allegations.

Iran, China to finalise \$16b gas deal despite sanctions threat

AFP, Tehran

Iran will hold talks with China next month to finalise a 16-billion-dollar gas agreement despite a US warning that the Chinese partner could become subject to sanctions, an official said Thursday.

"We start talks with the Chinese on North Pars gas field in February," Akbar Torkan, the managing director of Pars Oil and Gas Company -- which is in charge of the project -- told AFP.

"(Negotiating) teams will be set up for four rounds of talks and signing a contract depends on when the talks are concluded," Torkan said.

Iran and China's biggest offshore oil producer, CNOOC, announced having signed on 21 December a preliminary deal to develop Iran's offshore North Pars gas field located in Gulf waters.

Days later, a US congressional committee was set up to review the deal to determine if US sanctions

should be slapped on CNOOC.

"Specifically, we will examine whether this agreement activates United States law requiring sanctions against companies involved in Iranian energy development, as is potentially the case here," Congressman Tom Lantos said in a statement at the time.

"Congress recently extended and strengthened the Iran Sanctions Act, as part of legislation which I co-sponsored, and China needs to be warned of the serious penalties it may incur if it pursues implementation of this agreement," he added.

Under the deal, the two parties will work on developing the North Pars gas field for the production of liquefied natural gas, with each party taking 50 percent of any gas recovered.

The investment, however, will come from the Chinese side: 5.0 billion dollars for exploration and production, and 11 billion dollars for downstream activities.



Dipal Chandra Barua, managing director of Grameen Shakti, receives 'The European Solar Prize 2006' from Dr Hermann Scheer, president of Eurosolar in Germany and chairman of World Renewable Energy Congress, in Berlin, Germany, recently. The prize was awarded for success in popularising renewable solar energy among the rural people.

Vietnam joins global trade system as WTO's 150th member

AFP, Hanoi

Vietnam on Thursday becomes the 150th member of the World Trade Organisation (WTO), a milestone expected to launch an era of radical change as the communist nation enters the global economic mainstream.

Southeast Asia's second most populous country after Indonesia hopes its new status as a signed-up member of the international trading system will accelerate rapid growth and turn it from a poor into a middle-income nation.

"It is a very important turning point," said Le Dang Doanh, a senior economist at the ministry of planning and investment.

"Joining the WTO will mean for Vietnam the start of a new phase of reform. It should lead to very dynamic and hopeful development. Of course, there are opportunities and there are challenges."

Labour-intensive industries would benefit first in the country known for its industrious, low-wage workforce, he said, while capital-intensive sectors would face the stiffest challenges from the entry of outside companies.

"Stronger competitors will come and force Vietnam to be more dynamic and there will be some sacrifices. There will be a limited number of bankruptcies.

"Creative destruction is very important for Vietnam but it's painful. Because the centrally planned economy has so far tried to rescue everybody, now some people must sacrifice."

The WTO accession comes more than 30 years after the end of the Vietnam War and 20 years after the regime abandoned strict Soviet-style economic planning in favour of gradual "doi moi" (renewal) market reforms.

HSBC named 'best trade finance bank'

HSBC has been named 'best trade finance bank' in Finance Asia's annual achievement awards, scooping the title for the tenth consecutive year.

The award recognises HSBC's success in developing innovative new products and services, while delivering service excellence, says a press release.

HSBC had bucked the market trend of decreasing LC volumes across the region, said Finance Asia. During 2006, HSBC in Asia recorded a rise in LCs outstanding of over 15 percent and grew LC market share in 16 Asian markets. HSBC's trade services business continued to experience strong growth in its customer base across Asia, most notably in India, China and Malaysia.

The award citation said: "For a bank to defend its title on a yearly basis is no mean feat, for the same bank to consistently excel for 10 years straight is a testament to its ongoing brilliance."

HSBC Bangladesh CEO Steve Banner said HSBC was founded as a trade bank and this award shows how it remains a core strength for the HSBC Group. He noted that HSBC had been named best trade bank in Asia for each of the 10 years it has operated in Bangladesh and confirmed HSBC's commitment to being the leading trade bank in the country.

HSBC Bangladesh has recently introduced Tradeline -- an import finance product that facilitates import trading for small and medium enterprises. Also, HSBC recently opened a business development office at Chittagong Export Processing Zone to support exports.

Dollar firmer on US trade deficit decline

AFP, Tokyo

The dollar strengthened against the yen in Asian trade Thursday as sentiment toward the US unit remained positive after an unexpected fall in the US trade deficit, dealers said.

The US currency changed hands at 119.68 yen in Tokyo afternoon trade, up from 119.59 yen in New York late Wednesday.

The euro rose to 1.2960 dollars after 1.2935 while gaining to 155.05 yen from 154.80.

"Market players in Tokyo continued to chase the dollar following the fall in the US trade deficit," said Seiichi Kanazawa, a dealer at Resona Bank.

The US trade deficit shrank unexpectedly to 58.2 billion dollars in November from 58.8 billion in October, helped by rising US exports and falling oil prices, the Commerce Department reported Wednesday.

The improvement in the US trade deficit to its lowest level since July 2005 surprised most economists who had been expecting the shortfall to hit 59.5 billion dollars.

"A Fed official's forecast of slowing inflation also helped encourage players to buy the dollar," Kanazawa said.

SKorea leaves interest rate unchanged

AFP, Seoul

South Korea on Thursday left its key interest rate unchanged at 4.5 percent for a fifth consecutive month in a continued bid to help boost a slowing economy and as inflation remained under control.

The Bank of Korea said its monetary policy committee kept its call rate target for January on hold, as it has done since it raised rates by a quarter percentage point in August 2006.

"Growth in private consumption is slowing down," the central bank said in a statement. "But exports continue to grow steadily, capital spending maintains a growing pace and construction investment appears to be recovering."

It said it was still assessing the impact on the economy of the increase in December of mandatory cash reserve ratios for the commercial banks.

South Korea's export-driven economy is under pressure from the won's recent rise against the dollar which hurts exporters by making their products more expensive on global markets.

The won's rally has been mainly driven by the global weakness of the dollar and fears of a rate hike in Japan.

Violence hits Lanka tourism hopes

AFP, Colombo

Sri Lanka's hopes of attracting 600,000 tourists last year were dashed as fighting between troops and Tiger rebels discouraged foreign holiday makers from visiting the island, officials said Thursday.

Adverse travel warnings from Western governments also kept away would-be holidaymakers, officials said, noting that 559,603 tourists visited the island last year, down from an expected 600,000.

However, holidaymakers from India, the island's top source of visitors, saw a 13.3 percent increase to 128,370 for the full-year 2006, the Ceylon Tourist Board said.

Traditional key markets of Britain and Germany, which attracts the usual sun and surf discount package tourists, continued to give mixed results.

Holidaymakers from Britain fell 4.7 percent to 88,306, while German arrivals rose 2.3 percent to 47,402 in 2006. The year 2005 was a low base because beach resorts were recovering from the December 2004 tsunami.

The Tourist Board noted encouraging growth from China, with visitors up 68.37 percent to 16,274 in 2006 over the corresponding period in 2005.

Government troops and Tamil Tiger rebels locked in combat are spooking visitors, with hotel occupancy rates down to around 45-50 percent, the Tourist Hotels Association of Sri Lanka said.

"The adverse publicity the country received in the last few months was very badly timed as October, November and December was the peak booking period for the winter 2006/2007 season," the association's vice president, Sri Lal Miththapala said.

"Bulk of the prospective bookings have gone to other destinations."

Thailand backtracks on investment law

AFP, Bangkok

Investors in Thailand were left in confusion Thursday over new rules on foreign investment, as the government appeared to back track on its second major policy change in less than a month.

Thailand's military-installed government on Tuesday approved new rules for foreign investors, limiting them to holding 50 percent of the shares and 50 percent of the voting rights in companies here.

After initially warning that some 10,000 companies would be affected by the changes, authorities Wednesday insisted that only some 1,300 would be affected.

Finance Minister Pridiyathorn Devakula told investors Wednesday that broad categories of companies would be exempted, including manufacturers and exporters.

Thai media reported Thursday that foreign-controlled telecoms

would also be grandfathered in, and only new investors would be affected.

But on Wednesday Pridiyathorn also told reporters that Advance Info Services, a part of telecom giant Shin Corp, would be forced to restructure following its takeover by Singapore's state-linked investment firm Temasek Holdings.

Temasek's 3.8-billion-dollar takeover of Shin Corp last year sparked public protests that eventually led to the military ouster of prime minister Thaksin Shinawatra, who founded the telecom.

The Shin Corp sale is what had prompted the government to review its investment law in the first place. The Commerce Ministry has declared the deal illegal, and other investigations into the sale are still underway.

Markets took comfort in Pridiyathorn's remarks, and Thai shares finished morning trade 2.18

percent higher. But investors remained confused about the exact effects of the amended law and wary about future shifts in policy.

"So far, details of the law and how much impact it will have remain unclear," said Thanomsri Fongkarunrung, an economist at Phatra Securities.

"But investors now perceive that more risks have arisen for their investments in Thailand," she told AFP.

"The implication of the law's revision is huge, especially after the capital control rules had already shaken investors' confidence," she added.

Thailand unveiled new capital control measures on December 18 that sparked a record 15-percent sell-off in stocks the following day.

The government quickly reversed some of the key provisions, and analysts said authorities appeared to be taking a similar tack with the investment law.



The 26th annual general meeting of Bangas Limited was held in the company's factory premises in Chuadanga recently. Md Mozammel Haque, managing director of the company, presided over the meeting.