

Stocks

DGEN	▲ 0.76%
	2,871.19
CSCX	▲ 0.80%
	6,418.81

Asian Markets

MUMBAI	▼ 0.02%
	14,324.01
TOKYO	▼ 2.82%
	9,549.61
SINGAPORE	▼ 1.80%
	2,226.10
SHANGHAI	▼ 0.12%
	2,892.70

Currencies

	Buy Tk	Sell Tk
USD	68.45	69.45
EUR	92.40	98.28
GBP	109.34	115.13
JPY	0.70	0.79

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold	▼
	\$919.52 (per ounce)

Oil	▼
	\$66.97 (per barrel)

SOURCE: AFP

(Midday Trade)

More News

Bankrolling the poor



Around \$2 billion is currently in circulation through microcredit in Bangladesh. Since introduction, its spread has been prolific and its uptake legendary. The concept of extending banking services to the poor is now accepted as commonplace, where as only a couple of decades ago, many believed that the poor would not be creditworthy.

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International

ADB chief urges investments in water infrastructure

Investments in water infrastructure must be sustained if Asia is to succeed in reducing poverty and maintaining strong economic growth, the region's top development banker said Tuesday.

Obama to create panel for auto workers

President Barack Obama is to reach out to workers in the battered US auto sector on Tuesday, announcing the establishment of a policy panel to address their woes.

The White House is to create a "Council on Automotive Communities and Workers," which will be charged to recommending policies that would help auto workers, an administration official said.

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Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

Move on bulk drugs import draws fire

SAYEDA AKTER

Pharmaceutical industry leaders, dismayed by the government's budgetary proposal to allow the imports of medicines and bulk drugs, commonly known as raw materials, have demanded its review to protect local makers.

They fear such imports will hurt the country's seven bulk drug makers, which produce and supply raw materials to government and local pharmaceutical formulation companies.

There are 250 local pharmaceutical companies that collect raw materials from both local and foreign sources, and then produce tablets, capsule and injection ampoules.

The industry leaders see the move, proposed in the new budget for fiscal year 2009-10, as a clear violation of the Drug Policy 1982.

The policy forbids any import of medicines and raw materials that can be made locally.

The items such as amphetamine sulphate, dexamphetamine sulphate, metamizol and methamphetamine, which were banned here in 1982 because those contain narcotic elements, are among the bulk drugs proposed to import.

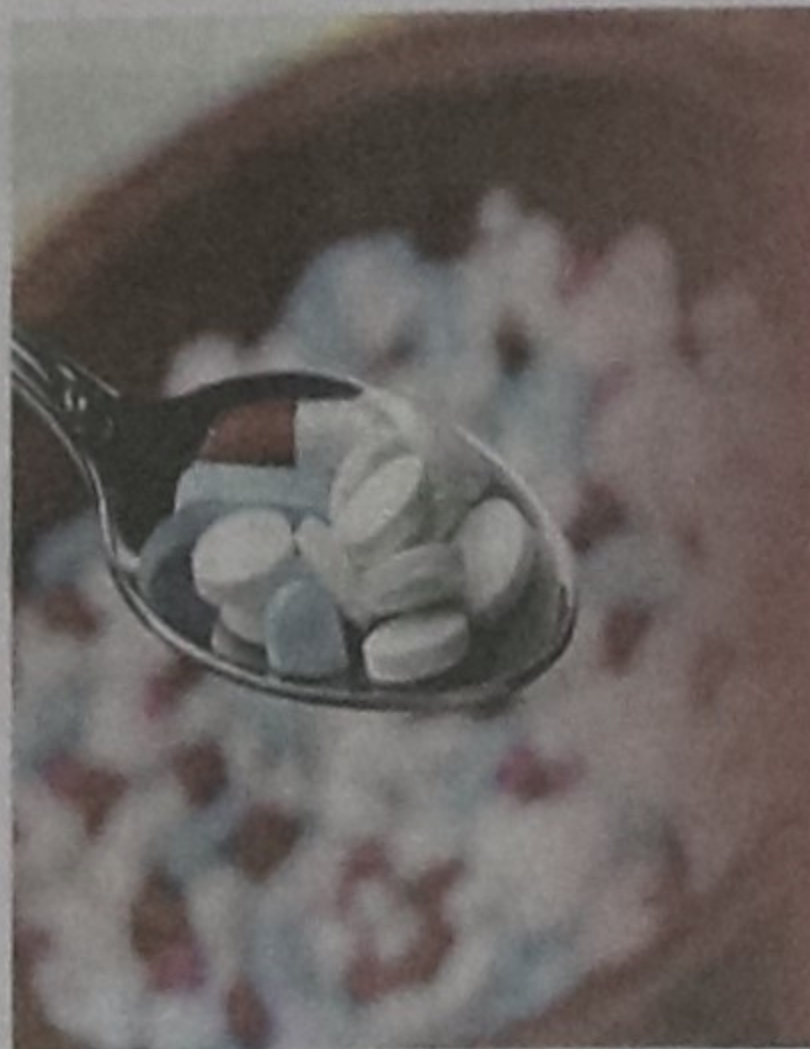
Also, rofecisib, cisapride monohydrate and celecoxib, which were normally prescribed as painkiller, but cause high risks for heart diseases, have been proposed in the budget as importable items.

Imports of some other items like multivitamin with carbonyl iron pellets and multivitamin with ferrous sulphate pellet, which can be manufactured locally, have been allowed.

Besides, raw materials of most common drugs including Paracetamol, Dipyrindamol, P-acetaminophenol, Amoxicillin compacted and Amoxicillin micronised, available in the local market, are also on the list of importable bulk drugs.

Presently, local producers can supply raw materials for 100 tonnes of Paracetamol, 840 tonnes of Amoxicillin compacted and 60 tonnes of Amoxicillin micronised.

The industry insiders think such imports will force the bulk drug makers to suspend their production for at least the entire duration of the



next financial year if the government bid comes into effect finally. They anticipate the government revenue income from these makers to reduce to \$2.5 million by the end of the coming fiscal year.

Dr Zafrullah Chowdhury, a pioneer in formulating the 1982 policy and trustee of Gonoshasthaya Public Charitable Trust, said the local bulk drug industry might fail to perform its best as a potential sector because of the government move.

"But, the drug policy helped the local manufacturers to grow faster, as it provided protection to the industry, now meets the almost cent percent domestic demand at a reasonable price," Chowdhury said.

In a span of 27 years, the pharmaceutical industry has grown from almost nothing to a Tk 5,000 crore market per year.

Medicine is also an export item that earned around \$25 million in July-February period of FY 2008-09. However, the country witnessed a 15 percent negative growth in the item's exports because of the global financial meltdown, according to Export Promotion Bureau data.

Negative growth in exports means when exports grow less than zero.

HIGHLIGHTS

○ Imports of medicines and bulk drugs that are produced locally breach the Drug Policy 1982.

○ The number of pharmaceutical companies is 250

○ Only 7 companies produce raw materials

○ Local producers can supply raw materials for 100 tonnes of Paracetamol, 840 tonnes of Amoxicillin compacted and 60 tonnes of Amoxicillin micronised.

AM Faruque, managing director of Eskayef Bangladesh Ltd, said the government should not allow imports of the raw materials available in the local market.

Meanwhile, Health Minister AFM Ruhul Haque said: "We will not do anything contrary to the existing laws and policies."

He also made an assurance that the government would take all measures to safeguard the local industry.

Industry people said the government should take necessary measures to encourage more local entrepreneurs to get involved in bulk drug production, which will ensure self-sufficiency in pharmaceuticals and reduce dependency on foreign drugs.

The industry is also facing difficulty with regard to pricing, for which lack of government monitoring is blamed. The price fixing causes price hike, the industry insiders say.

They said this practice is making the local pharmaceutical industry less competitive than the regional market, mainly India.

Increased drugs prices mainly affect the access of the lower and lower middle-income group to essential drugs.

[sayeda@thedailystar.net](mailto:sayed@thedailystar.net)

Govt mulls short-term fix for power crisis

STAR BUSINESS REPORT

The government is considering setting up hydroelectric and wind power plants on a small scale to minimise acute shortage of power in the short run, the energy adviser to the prime minister said yesterday.

"We are considering the possibilities of setting up hydroelectric power plants in high stream rivers, from where 10 MW to 15 MW electricity could be produced," Tawfik-Elahi Chowdhury said.

A hydroelectric power plant produces power through the use of gravitational force of falling or flowing water. It is the most widely used form of renewable energy.

"We are also thinking that it may be possible to build wind power plants in the coastal areas, which could help add 50 MW of electricity to the national grid," the adviser told a roundtable on "Strategy for Sustainable Energy" in Dhaka.

He said the ministry is preparing a proposal on setting up wind power plants in the coastal areas. Energy and Power, a fortnightly magazine, organised the roundtable, marking its seventh anniversary at the Cirdap auditorium.

A wind power plant produces electricity by using the power of wind. Wind blows propeller blades round, which turns a generator to produce electricity.

The adviser also said the government is thinking over the prospects of solar power-driven irrigation in the Chalan Bil area.

Presently, the demand for power in Bangladesh is about 5,200 MW a day, while generation ranges between 3,200 MW and 4,000 MW, recording a daily shortage of 1,200 MW to 2,000 MW.

Chowdhury said the government will fulfil the commitment on energy and power, as it pledged in its election manifesto.

In regards to coal extraction, he said, "The government will choose an option, whether open-pit or shaft mining, based on which will be economical, commercial and environment-friendly."

Responding to queries on modernising the country's old power generating plants, he said the government completed positive primary talks with Russian firms, who earlier set up the power plants. "A delegation from Russia will come to Bangladesh shortly to talk in this regard."

Earlier, other speakers at the discussion urged the government to take a quick decision on coal extraction and its use in power generation.

Dr M Asaduzzaman, research director of Bangladesh Institute of Development Studies, said the country has two major resources - gas and coal. "Gas is being used, but it is still undecided whether we will use coal or not. But the decision should be taken immediately."

Abdul Awal Mintoo, former president of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said unexplored resources will not bring any benefit. "Resources should be extracted and used for socio-economic development."

The business leader questioned, "Why would we invest in our industries if we do not get energy security?"

The incumbent FBCCI president, Annisul Haq, said it is the government's responsibility to find the best to extract coal. "We want the output."

"We also want to know the government's short, medium and long-term policies on power and energy," he said.

Khondker Abdus Saleque, a non-resident Bangladeshi energy expert, presented a keynote paper on "Strategy for Sustainable Energy Harnessing" at the roundtable, moderated by Energy and Power Editor Mollah Amzad Hossain.



Rahimafrooz to set up solar panel assembling plant

SOHEL PARVEZ

Rahimafrooz Renewable Energy Ltd is set to assemble solar panels to grab the domestic market for solar home systems that are on an upward curve on the back of the government policy support to help off-grid people get electricity.

"We have taken initiatives to establish a solar panel assembling plant with an investment of Tk 34 crore by June 2010 as the market for solar systems is widening fast," said Munawar Misbah Moin, managing director of the company, yesterday.

A concern of Tk 1,500-crore-Rahimafrooz Group, the company has been engaged in distributing solar systems for the last few years.

Since 2003 the use of solar home systems has been increasing fast in the off-grid areas of rural Bangladesh backed by over a dozen of NGOs that enjoy refinance facility from state-run Infrastructure Development Company Ltd (IDCOL), which promotes renewable energy development.

Now the number of solar home systems (SHS) stands at around 325,000, up over 40 percent from 230,000 a year ago.

The SHS use increased because of the government aim to provide green energy solutions to majority of the country's around 15 crore

people who have a little or no access to electricity through national grid.

SHS installation is expected to grow faster as IDCOL plans to install 10 lakh units by 2012 to realise the government vision of meeting 5 percent of the total electricity demand by 2015 and 10 percent by 2020 through renewable energy resources, including biomass, biogas and wind.

Industry insiders said except for solar photovoltaic panels and tube lights, all the accessories for installing solar system with capacity of 20-120 watts come from the domestic manufacturers.

Solar panels and tube lights are usually imported from countries such as Singapore, India and China, with Japan-based Kyocera and TATA BP Solar controlling majority of the market.

Industry people said price of a complete SHS ranges between Tk 9,000 and Tk 60,000 and the solar panels account for nearly 70 percent of the total costs.

Rahimafrooz Renewable Energy expects that locally assembled solar panels will be more competitive than the imported ones.

"We make everything locally but still remain dependent on imports of solar panels. If we start assembling, we won't need to depend much on the global market, and at the same time we will be able to provide 10-15 percent

Changes in PPR to expedite ADP

Says finance minister

STAR BUSINESS REPORT

Finance Minister AMA Muhith said yesterday the proposed amendments to public procurement regulations (PPR) are meant for achieving four basic goals, including quick implementation of annual development programme (ADP).

The minister's comment came as two multilateral donors -- World Bank (WB) and Asian Development Bank (ADB) -- expressed concerns over possibility of keeping room for corruption in the proposed amendments.

After a meeting with WB Country Director Xian Zhu at the Economic Relations Division, the minister said the changes to be brought in the PPR will be finalised after consulting with the donors and stakeholders.

"The main objective of the amendment is to make the whole process easier," Muhith said.

When asked whether pre-qualification for getting government contracts will be scrapped to give contracts to party workers, the minister said: "We want to bring changes to ensure that fresh contractors also get works."

He said it is not proper that a small number of people will get works always and the others will not.

The government has finalised around 50 articles of the PPR for amendment. Once the PPR is amended, it will allow the government to award contracts for works involving up to Tk 2 crore through lottery and select contractors without any pre-qualification.

The WB officially raised concerns twice over some articles of the PPR, and so did the ADB.

The minister said one major goal of the amendment is to reduce wastage of time in the bidding process.

He said the government has reviewed why development projects are being delayed, adding that many offer bid at lower prices and abandon works after about six months.

He said in 50 percent cases the works get stuck and remain incomplete, and the PPR is being amended to stop such practices.

Review committees make delay in submitting reports while giving works. The government wants to reduce the time in the process, the ministers said.

The WB country director told journalists that there had been corruption in purchase process in the past. So they have expressed their concerns so no corruption occurs in future.

Some quarters have said the amendment might increase corruption and limit transparency. So the WB has raised the issue, Xian Zhu said.

He said reform in public procurement is an important matter in the World Bank's budget support for Bangladesh. The WB wants to see continuous reform in the PPR to remove corruption and ensure a competitive environment, Zhu added.

sohel@thedailystar.net