

Bengal Meat eyes better sales

The company plans to open 20 butcher's shops by year-end

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BENGAL Meat Processing Industries, a meat producer and exporter, aims to expand its business riding on high demand for processed meat.

The company plans to open at least 20 new butcher's shops and roll out several new value-added products for retail customers by year-end.

Bengal Meat counted Tk 30 crore in annual sales in 2011, according to data provided by the company.

"Demand for fresh halal meat is gradually rising in Bangladesh, as people are becoming more health-conscious," Mazharul Islam, managing director of Bengal Meat, told The Daily Star at the company's head office in Dhaka.

"We have a plan to expand our operation to serve hygiene conscious customers."

The company sells meat at two types of outlets: complete butcher's shop and semi-butcher's shop. More than 50 semi-butcher's shops sell only raw meat while both raw meat and value-added meat products -- burger patty, boneless and head meat -- are found at

its over 15 complete butcher's shops in Dhaka.

The firm opened one of its exclusive butcher's shops at DCC Market in Gulshan on September 10. It also has its presence in Mohammadpur and Wari.

Bengal Meat regularly supplies beef and mutton to five-star hotels, including Westin, Radisson, Ruposhi Bangla and Sonargaon Hotel, in Dhaka and most leading hotels in Cox's Bazar, including Ocean Paradise, Hotel The Cox Today and Mermaid Café.

The Pabna-based company also supplies meat to the country's most leading clubs such as Dhaka, Gulshan and Uttara Club, said Shamsheer Alam Chowdhury, head of sales and distribution of the firm.

Dhaka city dwellers consume around 250 tonnes of meat a day and traditional butcher's shops provide most of the meat. Chowdhury said his company now holds a 5 percent share of the market in the capital.

Bangladesh has the seventh largest cattle population in the world, but has one of the lowest per capita meat consumption, industry insiders said.

Generally, a person should take 100gm to 110gm of protein a day while Bangladeshis take 12gm meat a day, according to nutritionists.

So, per capita meat consumption should be increased as per capita income rises, Chowdhury said.

The official said Bengal Meat would now diversify its product range to provide better services to retail customers and export markets.

"We have a plan to sell more value-added products for retail customers," he said, adding that the company will start selling value-added frozen meat products through 250 delivery vans in the capital after Eid-ul-Ahza and double the number of vans by next year.

The company will come up with a number of new products in November such as minced meat, burger patty, boneless and head meat to help busy city-dwellers make "ready to cook" foods, he said.

Currently, Bengal Meat sells per kilogram of beef at Tk 290, mutton at Tk 450 and chicken with skin at Tk 325.

The firm witnessed an export growth in the last several years.

Bengal Meat's exports rose 67 percent to \$10 lakh in 2011 from a year ago, said AKM Sayadul Haq Bhuiyan, senior manager for finance and corporate affairs of the company.

The company exported processed meat worth \$10 lakh in the eight months through August against its full-year target for \$15 lakh, he said.

It exports to the United Arab Emirates and Kuwait and aims to reach out to Saudi Arabia, Iran, Iraq and Malaysia soon to serve expatriate Bangladeshis and other Muslims in those countries, he said.

There is a huge market for halal meat especially in the Middle East and Malaysia with a combined annual market size of Tk 600 crore.

Bengal Meat buys cattle from the local market after a thorough check-up, rears them at their own farms and then sells meat at home and abroad, company officials said.

The company that began its operations in 2006 has its own cattle rearing farm on around 130 acres.

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YUNUS CENTRE

Crown Prince of Bahrain Prince Salman bin Hamad bin Isa Al Khalifa shakes hands with Nobel Laureate Professor Muhammad Yunus at the office of the prince in Bahrain on Sunday.

Social Business Week starts in Bahrain

STAR BUSINESS DESK

Shaikh Mohammed Bin Mubarak Al Khalifa, deputy prime minister of Bahrain, opened Social Business Week in Bahrain on Sunday in the presence of Nobel Laureate Professor Muhammad Yunus as the chief guest.

The Social Business Week Bahrain is organised by the Family Bank of Bahrain, which was established by the King of Bahrain Hamad bin Isa Al Khalifa three years back as a microfinance bank, inspired and supported by Professor Yunus.

Grameen Creative Lab of Germany is the lead organiser of the week, Yunus Centre said in a statement yesterday.

Following a welcome address by Fatima Mohammed Al Balooshi, minister of social development of Bahrain, the Nobel laureate delivered a keynote speech on social business and the potential it holds

for Bahrain and the MENA region.

The opening plenary was attended by two deputy prime ministers, several ministers and other dignitaries of the country.

During the Social Business Week, beginning on Sunday, Grameen Creative Lab will organise several workshops with top business executives, NGOs, civil society leaders and youth leaders to develop concrete social business plans to implement in Bahrain and the region.

Afterwards, Professor Yunus was received by Prince Salman bin Hamad bin Isa Al Khalifa, crown prince of Bahrain and the eldest son of the king of Bahrain.

They discussed various issues relating to creating a Social Business Fund for Bahrain. Details of holding a regional social business summit for Middle East and North Africa region in the first half of next year were also discussed. Bahrain will host the summit.



A Bengal Meat outlet in Uttara.

India holds interest rate steady despite pressure

AFP, Mumbai

India's central bank kept its benchmark interest rate on hold on Monday, preferring to wait to see the impact of a flurry of government reforms before reducing the cost of borrowing.

The Reserve Bank of India had been under pressure from business leaders and the government to cut rates to give a further boost to the ailing economy, which grew at 5.5 percent year on year in the April-June quarter.

Bank governor Duvvuri Subbarao acknowledged that recent reforms "have started to reverse sentiments", but he said that inflation was still too high.

"For the moment, inflationary pressures, both at wholesale and retail levels, are still strong," he said in a statement.

However, in a move to increase liquidity and lending in the banking sector, the bank cut its cash reserve ratio, the amount banks have to keep aside as deposits, by 25 basis points to 4.50 percent.

Finance Minister P. Chidambaram said the RBI was "supportive of what the government is doing."

"Infusion of liquidity is a small but a welcome step," he told the NDTV television channel, saying that additional government measures were expected before the next RBI meeting on October 30.

The Mumbai-based central bank has not cut benchmark rates since April in a bid to keep a lid on inflation, which hit 7.55 percent in August -- far above the RBI's comfort level.

These inflationary pressures made it difficult for the bank to enact "big bang measures", according to Siddhartha Sanyal, chief India economist with Barclays capital.

"He is still not comfortable with inflation but wants to send the message that he recognises growth concerns," he told AFP.

C. Rangarajan, head of Prime Minister Manmohan Singh's economic advisory council, said the RBI had taken a "cautious stand".

"If inflation touches (the) eight percent level, then (the) RBI will have very little manoeuvrability to change rates," he told NDTV.

Subbarao has repeatedly called for policy action from the government to reduce subsidies and improve the investment climate before further cuts can be approved.

Singh's cabinet approved a slew of measures late last week, hiking diesel prices, opening the doors to foreign investors in key sectors and approving the privatisation of four state-run companies.

Business leaders have been clamouring for a rate cut to help revive Asia's third-largest economy, with growth in the three months to June the slowest in three years.

"They have kept the door open for a rate cut in future and shown their intention to promote growth," said Abheek Barua, chief economist with private HDFC Bank, who had predicted a rate cut.

In India, gift-giving drives drugmakers' marketing

REUTERS, Mumbai

SALES representatives for Abbott Laboratories' Indian subsidiaries know what it takes to get a doctor to prescribe the drugs they market: a coffee maker, perhaps, or some cookware, or maybe a vacuum cleaner.

These are among the many gifts for doctors listed in an Abbott sales-strategy guide for the second quarter of 2011, a copy of which was reviewed by Reuters. As laid out explicitly in the guide, doctors who pledge to prescribe Abbott's branded drugs, or who've already prescribed certain amounts, can expect some of these items in return.

Consider the guide's entry for Nupod, an Abbott antibiotic generically known as cefpodoxime. It lists a medical textbook, a mosquito repellent and a coffee maker as incentives for doctors.

In interviews with Reuters, dozens of doctors, drug reps and other healthcare insiders said domestic and multinational drug makers routinely shower Indian doctors with gifts, posh junkets abroad, and cash payments disguised as consultancy or other types of fees.

"Indian CRM," or customer-relationship management, is what industry insiders call this system of inducements. None of the doctors or reps who described their participation in this trade would speak on the record. Under Indian law, doctors are prohibited from accepting cash, gifts or travel from drug companies. Still, enforcement is rare, and drug makers may lavish gifts on doctors with impunity, though their home countries may punish the practice.

In a country where doctors often make less than \$10,000 a year, it can be an effective strategy.

"Somebody is doing something for you," says a Delhi-based cardiologist. "Obviously you will want to return the favour." He says he prescribes more drugs from companies that provide gifts and send him on paid vacations to Thailand, Hong Kong and elsewhere. One of those companies, he says, is the India-based Ranbaxy unit of Japan's Daiichi Sankyo Co.

"We do not sponsor vacations for doctors," a Ranbaxy spokesperson said. "We are viewed as a scientifically and academically orientated company and our promotional activities are built around academics and science."

In response to questions from Reuters, Chicago-based Abbott said that it complies with local laws and regulations in India. It added that company policy forbids employees to "offer or give a sponsorship, gift, meal or entertainment in exchange for an explicit or implicit agreement that Abbott Products will be used, purchased, ordered, recommended or prescribed or that Abbott or any Abbott products will receive any favourable treatment."

The Indian market is particularly vulnerable to corruption because of the intense competition here. Until 2005, India flouted drug patents, refusing to rein in domestic copycats of Big Pharma's blockbusters. Brands proliferated. Today, an Indian doctor can choose from among 224 registered brands of the cholesterol-lowering drug atorvastatin, sold by Pfizer Inc



REUTERS

A medical representative (C) with Abbott talks to a chemist at a market in Pune.

as Lipitor in the US and elsewhere.

Foreign companies that want a piece of this crowded market "have to adapt, or they are not going to survive," says an executive with Biocon, a leading Indian biotech company. The executive says Biocon routinely gives doctors iPads, iPods, mobile phones, "you name it."

A Biocon spokesperson said the executive's statements are "incorrect and absolutely untrue" and added that the company operates "in strict compliance" with the law. Public health experts and some Indian doctors say that as a result of drug companies' tactics, drugs are dangerously overprescribed and expensive brands are prescribed instead of cheap ones. That can be devastating for patients -- physically and financially -- in a country where health care is mostly private and unsubsidised and 400 million people live on less than \$1.25 a day.

At the Amrita Clinic, a private practice in Pune, Maharashtra State, physician Vinay Kulkarni says he refuses to accept gifts from reps, in part because he believes drug makers overcharge for their products to recoup marketing expenses. "Ultimately," he says, "everything is being paid by the patient."

As Big Pharma has pushed into emerging markets like India in recent years, companies have been running into trouble with their home-market overseers. Many of the world's top drug makers have warned in recent regulatory filings of potential costs related to charges of corruption in foreign markets.

Last year, Johnson & Johnson agreed to pay \$70 mil-

lion to settle US charges that it paid bribes and kickbacks to win business in Greece, Iraq, Poland and Romania. Pfizer Inc recently agreed to pay \$60.2 million to settle a US government probe of the drug maker's use of illegal payments to win business overseas, including gifts such as cellphones and tea sets to doctors in China who prescribed the company's products.

Abbott became the No. 1 pharmaceuticals company in India in 2010, when it paid \$3.7 billion for the branded generics business of Mumbai-based Piramal Healthcare. Its thousands-strong Indian sales force has helped buoy the parent, as sales in emerging markets rose 23 percent to \$2.59 billion in the second quarter of 2011 -- more than twice Abbott's global growth rate.

Reps from Abbott True Care, Abbott Healthcare and Abbott Primary Care -- all formerly part of Piramal and now subsidiaries of Abbott -- say sales plans are revealed to them at "cyclical sales meetings" every three or four months. These meetings, they say, sometimes include studying printed strategy guides like the one for second-quarter 2011 that Reuters reviewed.

That guide offers no clarity on why particular gifts are paired with particular drugs. None of the items that come with Nupod, the antibiotic, go to doctors who prescribe Pantagon IT. That drug -- a combination of itopride, for bloating and indigestion, and the anti-acid pantoprazole -- comes with a stapler, a set of six glasses and a jar from Luminarc, and a Forbes Trendy Nano vacuum cleaner.