Novo Nordisk shows better profile: study

STAR BUSINESS REPORT

NOVO Nordisk's modern insulin products show better safety profile than other insulin products, according to a leading study on diabetes treatment.

The study -- titled A1chieve -- was conducted on 60,000 diabetic patients across the world by Diabetes Research and Clinical Practice, with support from Novo Nordisk.

The results of the study were revealed at the Bangladesh Premix Summit 2013, organised by Novo Nordisk at Ruposhi Bangla Hotel in Dhaka yesterday, to help Bangladesh's huge diabetic population control the disease and its related complications.

Zafar Ahmed Latif, professor of endocrinology department of BIRDEM Hospital, presented the findings of the study.

"Patient compliance is essential for proper management of diabetes mellitus," said Dr Marc Evans, a consultant diabetologist at Cardiff and Vale University.

Novo Nordisk's NovoMix 30 insulin product has better patient compliance as it can be taken with a fewer number of injections, he said, adding that the study found hypoglycemic events with its usage was less than other conventional insulin products.

"Globally, diabetes has become an epidemic, with its prevalence increasing by the day."

At present, the total diabetic population the world over is 366 million, which, according to International Diabetes Federation (IDF), would rise to 552 million by 2030.

IDF projected Bangladesh's current diabetic population of 8.4 million would double by 2030.

"The emerging global epidemic is manageable if we could raise awareness among the people," Evans said.

A healthy lifestyle, which includes balanced diet, regular physical exercise, maintenance of body weight, can delay diabetes, he said.

Marc Evans

"Those who are already diabetic need proper education."

Among all the pharmacological interventions, insulin is the optimum and supreme option for diabetes management, Evans said.

In Bangladesh, more than 66 percent of diabetic patients are using premix insulin, said A Rajan Kumar, managing director of Novo Nordisk.

"By arranging this grand event we are one step ahead to ensuring that diabetic patients achieve the expected glycaemic control," he said.

Novo Nordisk, the world's biggest insulin maker, controls 75 percent of the local insulin market in Bangladesh.

Last month, Novo Nordisk launched three locally manufactured insulin products in Bangladesh.

The three products -- Mixtard 30, Insulatard and Actrapid -- were all manufactured by the Danish company's local partner Eskayef Bangladesh Ltd.

Novo Nordisk and Eskayef, Bangladesh's one of the fastest growing medicine makers, will be able to take the insulin products to the patients at affordable prices.

Remembering a central banker

SYED ASHRAF ALI

THE unusual chill in this winter grew still chillier on hearing the news of the death of an iconic central banker, AK Gangopadhaya, a former deputy governor of Bangladesh Bank. AKN Ahmed, another legendary central banker who served as Bangladesh Bank governor in the mid-seventies, broke the news over telephone from Washington. In an almost a choked voice he said his lifelong friend and colleague had passed away on January 14 at the residence of his son in Texas. His death has drawn a final curtain on his chequered career spanning a period of nearly five decades straddling across countries and continents.

Gangopadhaya joined the State Bank of Pakistan in the early fifties through an officers' training programme of the Bank. Two other persons, AKN Ahmed himself and Aminul Haque Choudhury, who also served as Bangladesh Bank's deputy governor during much of seventies and eighties, also joined the banking industry through that programme. The trio, reminisces the ex-governor AKN Ahmed, were on the top of the list of successful trainees. They were summoned by the State Bank governor, Zahid Hossain, to convey his appreciation for their performance and enquired whether they would like to join the State Bank or the National Bank of Pakistan. In one voice they opted for the State Bank.

The threesome, along with a few other central bankers, notable among them was late M Nurul Matin, were to form the nucleus around which revolved the banking industry in Bangladesh in the crisis ridden days after the birth of Bangladesh. From this distance of time, it is difficult to visualise the enormity of the problems that lay ahead to reconstruct the banking sector, which was in shambles, to build the foreign exchange reserve which had all been taken away by Pakistan, to reshape anew the currency and monetary arrangement. They joined hands with the government of Bangabandhu Sheikh Mujibur Rahman to address these seemingly insurmountable hurdles to bring back sense in the country's chaotic economy. Their success is epitomised by the fact that by the time the assassins' cruel bullets killed the father of the nation, the economy had been brought back to the pre-71 level and was poised to take off to reach higher plateau.

AK Gangopadhaya

The brilliance of Gangopadhaya manifested itself in many ways. He had a rich academic background including a Master degree in economics from Dhaka University. Impressed by his performance as a young officer in the State Bank of Pakistan, early in his career, he was chosen to work as secretary to the Credit Enquiry Commission set up by the Pakistan government to channel credits to vulnerable sectors of the economy. Following the recommendation of the commission, the first East Pakistani bank -- Eastern Mercantile Bank (predecessor of Pubali Bank Ltd) -- was established under the patronage of the State Bank. The commission also laid out a modality for financing the agricultural sector and revitalising the cooperative societies.

Gangopadhaya, again early in his career, was sent by the State Bank for a three-month training programme on monetary policy under the aegis of the International Monetary Fund in Washington. His impressive performance not only earned him the top position among the scores of participants from around the world but he was selected as a resource person for the next course. That set the stage for him to establish a modus vivendi with the IMF in the negotiations with the Fund in later years as a key figure in the Bangladesh's negotiating team, especially on issues concerning policies on money, credit and banking.

Gangopadhaya had an uncanny ability to sift through the complex problems, break these into small pieces and work out solutions that elude ordinary mortals. One case in point is Grameen Bank. Many people are now basking in the glory that Grameen has gained worldwide. What, however, has been forgotten is that Gangopadhaya played a stellar role and served as catalyst to bring it into existence. Back in 1976, an almost unknown professor from Chittagong, Dr Muhammad Yunus, had been nurturing an idea of collateral-free loans for the poor and began peddling the idea literally from pillar to post to translate his dream. One after another collateral minded bank bosses had only to ridicule him for what they thought a utopian idea. At this stage Gangopadhaya came to his rescue with money and logistics from Bangladesh Bank and persuaded the banks to close ranks with Dr Yunus to implement a project known as 'Rural Finance Experimental Project'. It set the stage for the birth of Grameen Bank in 1984. Unfortunately, I have not seen anyone acknowledging the contribution of Gangopadhaya, except as a footnote.

Gangopadhaya lived a very unostentatious life without any obsession for wealth and fame. His typical dress included a half-sleeve cream colour shirt dangling from his huge height. Once during a SEANZA conference of central bank governors in Dhaka, the governor of the Indonesian central bank asked him why it is that bankers in Bangladesh are so casual about dress. Gangopadhaya replied, in jest of course, that "we believe in simple living and high thinking".

Gangopadhaya left Bangladesh Bank sometimes in the 1980s to spend the later part of his career with the IMF where he served stints across continents with assignments from the Fund. The conundrum that made him leave the country he held so close to his heart continues to baffle us even to this day. He has, however, left behind a rich legacy of excellence in profession, unwavering commitment to principles, honesty and, most of all utmost, devotion to the responsibilities he was entrusted with. Most of all, he blazed a trail that can well serve as a beckon for the bankers, especially central bankers to achieve excellence in their chosen fields.

The writer is a retired executive director of Bangladesh Bank.

Stubborn politics drag down global economy

GORDON BROWN

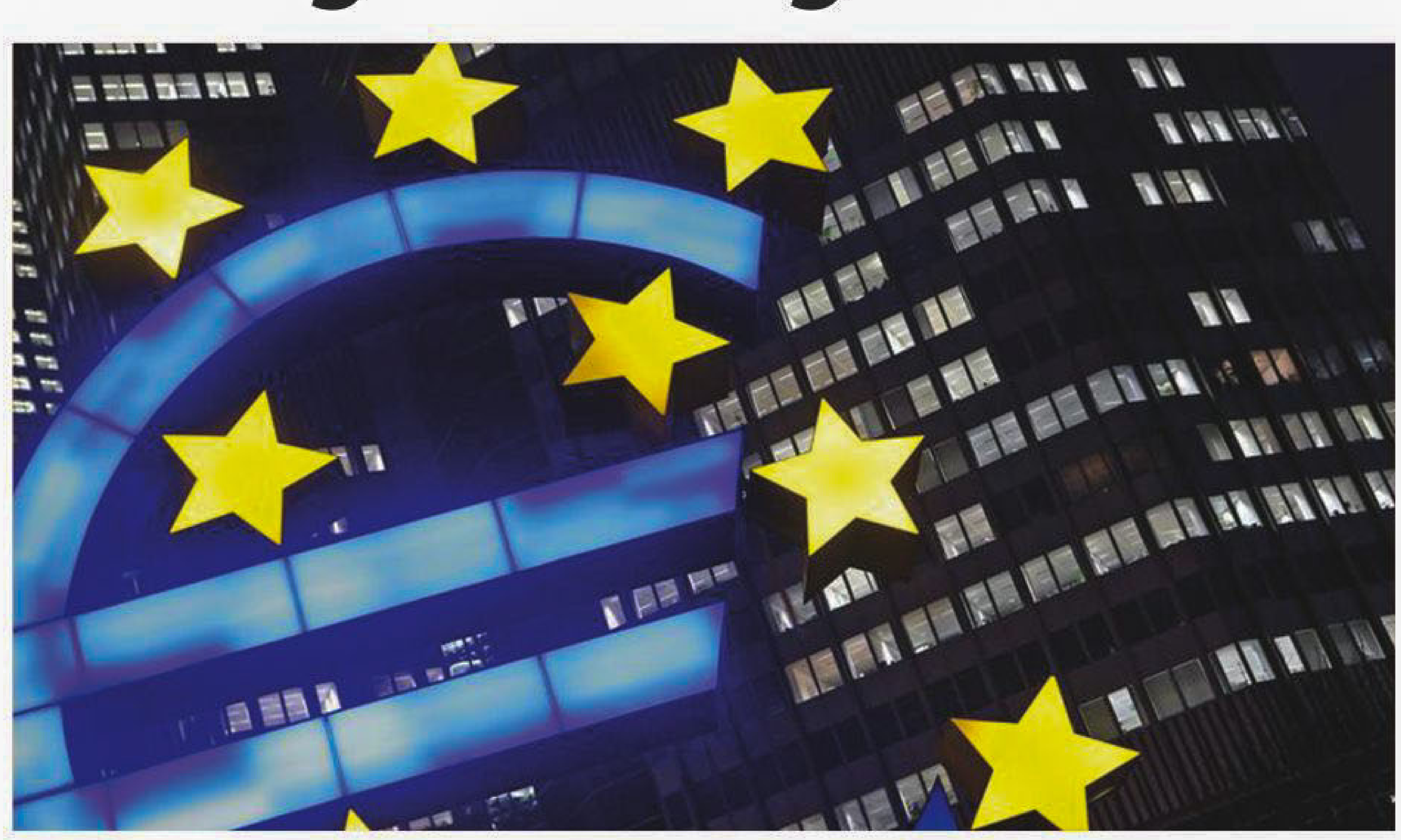
FOUR years ago world leaders, meeting in the G20 crisis session, agreed they would all work to move from recession to growth and prosperity. They agreed to a global growth compact to be delivered by combining national growth targets with coordinated global interventions. It didn't happen. After the $1 trillion stimulus of 2009, fiscal consolidation became the established order of the day, and so year after year millions have continued to endure unemployment and lower living standards.

Only now are there signs that the long-overdue shift in national macro-economic policies may be taking place. The new Japanese government is backing up a "minimum inflation target" with a multi-billion-dollar stimulus designed to create 600,000 jobs. In what some call the "reverse Volcker moment," Ben Bernanke has become the first head of a central bank for decades to announce he will target a 6 percent level of unemployment alongside his inflation objective. And the new governor of the Bank of England, Mark Carney, has told us that "when policy rates are stuck at the zero lower bound, there could not be a more favourable case for Nominal GDP targeting." Side by side with this shift in policy, in every area but the euro, there is also policy progress in China. It may look from the outside as if November's Communist Party Congress simply re-announced their all-too-familiar but undelivered wish to re-balance the economy from exports to domestic consumption, but this time the promise has been accompanied by a time-specific commitment: to double average domestic income per head by 2020.

The intellectual case for change is obvious. A chronic shortage of demand has developed for two reasons. First, as the IMF announced at the end of 2012 [3], the adverse impact of fiscal consolidation on employment and demand has been greater than many people expected. Secondly, the effectiveness of quantitative easing has almost certainly started to wane. As former BBC chief Gavyn Davies has put it, "the supply potential of the economy is in danger of becoming dependent on, or 'endogenous to,' the weakness of domestic demand. ...With demand constrained in this way for such a lengthy period of time, supply potential is beginning to downsize to fit the low level of demand." It is a new equilibrium that can be reversed only by boosting demand.

But why is there so little optimism when the paradigm shift sought in 2009 is finally starting to materialise? Why do experts continue to downgrade their forecasts for 2013 and even 2014, while discussion so often drifts toward talk of a lost decade? It is, I suggest, because while countries are today adopting national growth strategies, they have missed out on the other part of the 2009 decision -- the necessity of coordinated global intervention. And the big question is whether the momentum for growth can be sustained by national initiatives alone in the absence of global action or will instead melt away once again under the pressure of narrow, self-defeating national policies.

There is depressing testimony to stagnation produced by a lack of global demand. Olivier Blanchard, the IMF chief economist, has deployed devastating figures to demonstrate how fiscal consolidation has depressed the Western economy. Jonathan Portes of the National Institute of Economic and Social Research underlines the point: Austerity in one country reduces demand in the next and vice versa. "The hit to output in Germany is now 2 percent. In the UK it is 5 percent; and in Greece 13 percent," he wrote. Still more shocking is the impact on debt-to-GDP ratios. As Portes points out, fiscal consolidation was supposed to improve fiscal sustainability; instead, it makes matters worse. "This isn't true just in extreme cases like Greece -- fiscal consolidation across the EU has raised debt-to-GDP ratios in Germany and the UK as well. In both the UK and the euro area as a whole, the result of coordinated fiscal consolidation is a rise in the debt-GDP ratio of approximately five percentage points. For the UK, that means a debt-GDP ratio of close to 75 percent in 2013 instead of about 70 percent. We are not running to stand still; we are determinedly heading in the wrong direction."



The negative impact of austerity on economic growth is not only greater than was originally assumed, concludes historian Robert Skidelsky, but quantitative easing quickly reached the limits of what it could achieve. "Most of the money of QE was largely retained within the banking system and never reached the real economy ... the policy mix favoured by practically all European governments has been hugely wrong." And it is of course in Europe that the pessimism is greatest, the rethinking least and the response weakest. In 2011, the IMF predicted that the European economy of 2012 would grow by 2.1 percent; instead it shrunk by 0.2 percent, and the IMF now predicts that the European economy will be 7.8 percent smaller in 2015 than it thought just two years ago. But the only "rethinking" has been to accept the ECB as lender of last resort. Of course the bank is also free, in theory at least, to set the eurozone inflation target higher for two or three years, without any treaty violation. But there is resistance, and not just in Germany, with the result that Europe is indeed dragging the world down -- locked in an austerity cycle, facing its own lost decade and lacking the confidence to adopt domestic measures to stop euro area unemployment rocketing above 11 percent, toward 20 million.

And thus four years on, instead of regeneration, a self-fulfilling pessimism has been gaining ground. It is the view that because of a debt overhang we are doomed to high unemployment and low growth and that there is nothing, either through fiscal expansion or monetary innovation, to be gained by attempting to counter it. I don't agree. We are not doomed to miserably low growth. The reason the world is not moving fast enough out of recession is that we have failed to understand what a fast-changing global economy needs to do to sustain higher growth. And we will continue to perform badly if we stick to a model of the global economy where we rely on nations doing their own thing, attempting "solutions in one country" devoid of any attempt at real global cooperation. That course doesn't take us forward -- only into a cul-de-sac of nativism and protectionism.

Here is the great and grievous disconnect of our times: that even as our economics have gone global, our politics have remained viscerally local. If "all politics is local," as U.S. House Speaker Tip O'Neill famously proclaimed, will there be too small an audience for global coordination, and nothing to be gained domestically by advocating it? If so, even as the global challenge grows larger, the agendas of international summits will be smaller, their ineffectiveness, in turn, reinforcing the view that they will never be anything other than talking shop.

Yet the case for a global deal is today stronger than ever. Put simply, 10 years ago America could drive a world recovery. Perhaps 10 years from now Asian consumer spending from its rising middle class will fill this void. But today, for the first time in decades, no single economy can drive the global economy forward on its own. Without an agreement between the major economic powers, the world economy will therefore consistently deliver sub-optimal results. For 150 years until 2010, the West (America and Europe) dominated output, manufacturing, trade, investment and consumption. Now we are in a transition stage with the rest of the world out-producing, out-manufacturing, out-trading and out-investing Europe and America but, significantly, not yet out-consuming them.

Only gradually will patterns of consumer spending and then the global distribution of income and wealth start to reflect the balance of population across the world. The imbalance is such that while the emerging markets produce the majority of goods and services, they depend upon selling to Western consumers. Until that changes, no continent can succeed without the other.

READ MORE ON B3