

# Pharma expo kicks off to boost exports

STAR BUSINESS REPORT

A three-day pharmaceuticals exhibition started yesterday, with calls for a modern drug testing laboratory to boost exports.

"There is an ample opportunity to increase the export volume," AFM Ruhul Haque, health and family welfare minister, said, while emphasising on herbal medicine productions.

At present, only a handful of companies export pharmaceutical products after meeting the local demand, with the exports making up only 8 percent of the total production.

Haque's comments came at the inauguration of the three-day exposition, Asia Pharma Expo 2013, organised by the Bangladesh Association of Pharmaceutical Industries (BAPI).

"Bangladesh is the cheapest source of medicine, as it can produce high-quality drugs at the lowest price in the world," said Nazmul Hasan, a lawmaker and a member of the parliamentary standing committee on health.

Abdul Mukhtar, secretary general of BAPI, called for regulatory support, such as setting up a modern drug testing laboratory, to help the pharmaceutical sector flourish in both the local and international arena.

Salman F Rahman, BAPI presi-



AFM Ruhul Haque, health and family welfare minister, visits a stall at the Asia Pharma Expo 2013, which started at Bangabandhu International Conference Centre in Dhaka yesterday.

dent, called for regulatory support to give the sector a fighting chance at the world market.

"[The modern drug testing laboratory] has become an urgent need for the sector. Plus, it will help increase our export volume."

Referring to the Rid Pharmaceu-

tical incident that took 24 lives, he said the government should be "very strict" when it comes to handing out licences to flush out low-quality medicines from the market.

The health minister also said the government is working on reducing the cost of product registration,

which is comparatively high.

Some 450 companies from 28 countries including China, India and Korea are showcasing their products and services at the exposition, which Mukhtar deems to be a "great learning opportunity" for the local professionals.

# Analysts call for effective safety nets

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The government should form a commission in an effort to avoid the corrupt practices of the social safety net programmes, analysts said yesterday.

They also suggested establishing an agency and a comprehensive database to address the duplications and miss targeting of problems of the safety net programmes.

Around 23 ministries now run around 98 social safety net programmes, but these are implemented without any national integrated policy, said Mahfuz Kabir, senior research fellow of Bangladesh Institute of International and Strategic Studies.

"A multi-pronged approach is needed to address the issue," he said.

He said a separate commission will provide an institutional arrangement to monitor and oversee the implementation of the safety net programmes.

Kabir spoke at a conference on the right to food organised by Campaign for Right to Food & Social Security, a non-governmental organisation, at the National Planning and Development Academy in the city.

Most of the safety net programmes have duplication and triplication problems due to an absence of proper coordination, said Monower Mostafa, research

director of the Development Synergy Institute.

A comprehensive database is needed to select the most vulnerable group for social assistance, he said.

"The safety net programmes have a political economy and it is very nasty which may create options to indulge in corruption," Mostafa said.

Due to a centralised system, most people of the safety net programmes are not getting the benefit in due time, he said.

The right to food is a right for protecting all human beings from hunger, food insecurity and malnutrition, said Mizanur Rahman, chairman of the National Human Rights Commission (NHRC).

He said only food production will not ensure availability of food rather it involves proper distribution and the government has to play the vital role in it.

The NHRC chief urged the development organisations not to undertake any food-related programme funded by foreign donor agencies.

Donors may stop fund for any programmes at any time, which may create an adverse impact on the vulnerable people and so the nongovernmental organisations should not implement any food-related programmes from the donors' assistance, he said.



Tasbirul Ahmed Choudhury, chairman of United Airways (BD), and Kazi Wahidul Alam, editor of The Bangladesh Monitor and chairman of the organising committee of Dhaka Travel Mart 2013, sign a title sponsorship agreement for Monitor-United Airways Dhaka Travel Mart 2013 at a ceremony in the capital recently.



Kazi Samiur Rahman, managing director of Totalgaz Bangladesh, poses at a distributors' sales competition to give the Totalgaz Icon-2012 award by the company at a hotel in Dhaka recently. Towfiqul Hoque, head of finance and corporate affairs, was also present.

## Multimodal transport is a must for BCIM to boost trade

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"Developing transport connectivity, particularly multimodal system, is the key here," Ahmed said, adding that opportunities of reaping benefits of good rail, water and road linkages within the region remain widely untapped.

Many businesspersons from the participating countries have echoed Chowdhury's demand for a

BCIM Forum was initiated in 1999 in Kunming, as part of an initiative by the civil society organisations of the four countries to explore opportunities for mutually beneficial cooperation.

CPD works as the focal point in Bangladesh from the very inception of the initiative, which offers significant opportunities due to the presence of economic superpowers of China and India.

## Culture as risk mitigant: cockpit, country and company

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Against this backdrop, there are three specific recommendations for companies seeking to enhance their risk resilience:

1. Spend as much time articulating and reinforcing principles and values as you would rules and procedures. Employees make judgement calls and on occasion face ethical dilemmas. Checkbox-ticking automatons do not make a strong line of defence when it comes to assessing and responding to material risk. Dan Ariely, author of Irrationally Rational, conducted an experiment with insurance claimants. For half the subjects, the signature line and statement "I promise that the information is true" was kept at the bottom of the page. For the other half, it was moved to the top of the page, before the details of the claim were filled in. Those who signed at the top cheated less. In the same vein, the Sydney-based St James' Ethics Centre promotes the use of oaths among employees to reinforce good behaviour.
2. If your organisation still relies on hierarchical information-hoarding and operational silos, make a few punctures into them. Let it be unambiguous that inquisitiveness, transparency and collaboration are actively sought after. Encourage cross-divisional, cross-team sharing of ideas not just in scouting for revenue opportunities but also in control practices. Horizontal checks and balances can shine the light on areas that may be missed by vertical ones.
3. Crowdsource views and opinions -- though not decisions. Failure to tap onto the wisdom of rank-and-file employees is wastage of shareholder value. While most firms have procedures for whistle-blowing, not enough have avenues for providing real-time feedback and suggestions on how to improve the operating environment. Create a virtual suggestions-box and encourage its usage. Support the minority of early enthusiasts and arrange for "reverse mentoring" of senior executives. An inclusive culture builds loyalty and loyalty not only reinforces resilience, it is also the best agent of recovery after a risk event.

The practice of risk management -- perhaps business management as a whole -- is too dependent on that which is quantifiable. Culture should not be delegated to the status of an amorphous add-on. It is front and centre to the challenge of risk resilience.

The author is an adjunct professor at the Risk Management Institute, National University of Singapore. He is a Young Global Leader at the World Economic Forum where he is also a member of the advisory

## Trade barriers dim potential: analysts

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His comments came at a session of the 11th BCIM Forum, organised by the Centre for Policy Dialogue, to discuss opportunities and challenges for BCIM (Bangladesh, China, India and Myanmar) cooperation.

Debapriya Bhattacharya, a distinguished fellow at the CPD, said the main benefit will come from trade facilitation.

"But connectivity among the four nations is the lifeline," Bhattacharya said at the event at BRAC Centre Inn in Dhaka.

Towfiqul Islam Khan, a research fellow at the think tank, said regional trade agreements do not move faster because of political consideration.

"Political will is important," he said.

Ashfaqur Rahman, a former ambassador, too, stressed the importance of political will, while citing instances when many good initiatives did not take off due to a lack of political will.

Amir Khasru Mahmud Chowdhury, a former commerce minister of Bangladesh, said the country is unable to improve infra-

structure because of a fund crunch.

He suggested creation of a BCIM fund to remove infrastructure deficits and improve connectivity.

GM Quader, the commerce minister of Bangladesh, said trade agreement among the four nations can play a significant role in increasing trade and investment.

Earlier at the inaugural session of the forum, Li Jun, ambassador of China to Bangladesh, said the BCIM nations are facing unprecedented opportunities, risks and challenges.

However, economic ties among the four countries have improved, which he deems to a "solid foundation" to tackle them.

Pankaj Saran, the Indian high commissioner to Bangladesh, cited the poor border infrastructure between Bangladesh and India, while adding that three border check posts are being improved to facilitate trade.

Md Shahidul Haque, foreign secretary in-charge, and U Myo Myint Than, ambassador of Myanmar to Bangladesh, also spoke at the session.

## Dollar-euro steady, pound hit by Moody's downgrade

AFP, New York

The dollar held firm against the euro Friday following two days of strong gains, after the euro earned only a temporary bump from Germany's buoyant business confidence index.

The yen meanwhile resumed its weakening path, while the British pound dropped in the day after Moody's cut the country's AAA debt rating.

At 2200 GMT, the euro traded at \$1.3189, barely changed from \$1.3188 late Thursday.

It surged to 1.3242 in early trade after the closely watched Ifo business climate index notched up its strongest gain in two and a half years to hit its highest level since April 2012.

But those gains were lost after the European Central Bank said that the region's weak banks were holding onto much higher levels of ECB emergency funding than previously expected.

There was also caution ahead of Sunday's Italian elections, with the result expected to be a divided legislature as the country struggles with austerity budgets and persistent recession.

Financial markets warned an unclear outcome could plunge the eurozone's third economy back into crisis.

## FBCCI opposes hartal

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The country's apex trade body called upon both the ruling and the opposition parties to uphold national interests and resolve their differences through negotiation -- for the sake of the economy.

The Bangladesh Garment Manufacturers and Exporters Association and Bangladesh Knitwear Manufacturers and Exporters Association also opposed the hartal called by Islamist parties and backed by the main opposition BNP.

They said the garments industry is at a critical point due to the second wave of recession and weaknesses in local infrastructure.

"In such a situation, frequent strikes would only serve to hinder the economy and its growth," said the statement.

They, too, urged the political parties to recall the strike for the economy's wellbeing.

## Novartis boss admits mistakes after pay-off row

AFP, Basel, Switzerland

The outgoing chairman of Swiss pharmaceuticals giant Novartis acknowledged Friday that he had made "mistakes" in connection with a scandal over a massive golden handshake he finally agreed to forego.

"I have committed two mistakes that could have been avoided," Daniel Vasella told the Novartis general assembly on his last day on the job.

The first, he said, had been to accept a goodbye package of a whopping 72 million Swiss francs (\$77 million, 59 million euros),

meant to ensure that he doesn't go work for any Novartis rivals.

The second, he added, had been to think he could calm the public outrage by announcing last Tuesday he would forgo the golden handshake, which he insisted had intended to give to charity.

The sum caused an outcry among politicians across Switzerland's spectrum, while the tabloid Blick summed it up as "insane", and transparency campaigners pushing for more shareholders' rights filed a lawsuit.

"I know that for the board, I have not always been an easy partner. But I am responsible

and I accept the criticism," Vasella told the room full of shareholders.

The value of the 59-year-old's golden handshake was revealed last week by the blog Inside Paradeplatz, named after Zurich's financial district.

Novartis finally backpedalled, announcing Tuesday that the deal, worth 12 million Swiss francs over the coming six years, had been cancelled.

Ulrich Lehner, vice-president of the Novartis board, on Friday lauded Vasella, who has headed the company for 17 years.

"Out of two, medium-sized

companies in Basel, Mr. Vasella built a group with a global name," Lehner told shareholders.

Novartis was born from a 1996 merger between the Ciba-Geigy and Sandoz laboratories, both based in Basel on Switzerland's border with Germany and France.

Novartis posted a net profit of \$9.6 billion in 2012, up 4.0 percent from the previous year, though sales were down 3.0 percent to \$56.5 billion amid competition from generic drugs.

Despite being hailed by Lehner for his track record, Vasella came under fire from angry shareholders.

"If you'd thought before accepting 72 million, you'd have avoided damaging Novartis' image. You and the board have failed to act transparently," said Rudolf Meyer, head of Actares, a sustainable business group that holds stock in the company.

The announcement of the golden handshake came ahead of a March 3 referendum -- the bedrock of Switzerland's direct democracy -- in which voters will decide whether to give shareholders more powers to rein in executive pay.

Polls show that two-thirds are set to back the measures.