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Car sales go up on higher demand

SOHEL PARVEZ

Sales of reconditioned cars rose in fiscal 2015-16 amid increasing demand from the middle-class, sellers said.

"The market improved further last fiscal year. It appears that political stability has played a big role in boosting the demand for cars," said MA Hamid Sharif, president of Bangladesh Reconditioned Vehicles Importers & Dealers Association (Barvida).

While no official annual sales data is available, the import data compiled by Barvida shows an 11 percent spike to 19,000 units in fiscal 2015-16 from a year earlier.

This was the third consecutive year in which import of reconditioned cars from Japan -- which makes up the majority of Bangladesh's car market -- increased on the back of the car loan facility for officials of public and private sector firms, Sharif said.

The depreciation of Japan's currency against the US dollar in the past and a consistent duty and tax policy have also enabled the old car sellers to log in higher sales, said



IMPORTED RECONDITIONED VEHICLES



the Barvida president.

"Cars became affordable to many because of the devaluation of Japanese yen last year."

However, the demand for vehicles from industrial and trading sectors remained sluggish. "We see a similar trend from the real estate sector."

A Board of Investment paper says that Bangladesh has a huge demand for automobiles for the increasing population, with a sales forecast of as much as \$2.5 billion a year.

The country has to import cars from abroad in the absence of local manufacturing, with more than 80 percent coming in from Japan. The rest are imported from South Korea, China,

Germany, India and other countries, according to BoI.

BoI said the demand for vehicles is rising as the economy of the country is growing.

"Over the last few years, the unemployment rate went down and foreign investment increased. As a result, many individuals now afford personal transportation facility," BoI said.

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Spinners oppose plan for gas price hike

REFAYET ULLAH MIRDHA

Top spinners urged the government to increase gas price in phases, not in one go, as the sector is facing challenges due to the import of cheaper yarn and fabrics from India and China.

A proposed 130 percent hike in gas prices for captive power plants,

which the spinners use for continued power generation, will badly hurt the sector, said A Matin Chowdhury, managing director of Malek Spinning Mills.

The proposed hike is abnormally high and it will be difficult for the spinners to absorb price shocks in the current volatile situation, Chowdhury

added. The hike will take the price of gas to Tk 19.26 per cubic metre from Tk 8.36 now. The government had already raised the price of gas for captive power plants as recently as September last year from Tk 4.36 per cubic metre to the current rate.

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Beximco to start drug exports to US in Aug

SOHEL PARVEZ

Beximco Pharmaceuticals is set to make its debut in the US, one of the highly regulated drug markets in the world -- an achievement that is expected to take Bangladesh's medicine industry to a new height.

This is the first time that a drug made in Bangladesh will be sold in the US market.

"This is a major milestone for us and for the industry," Shawkat Haider, head of business development of Beximco Pharma, told The Daily Star.

The company, which received the approval from the US's Food and Drug Administration last year, will make the first shipment of the blood pressure prescription drug Carvedilol in the first week of August, he said.

Prior to giving the authorisation, the FDA inspected the facilities of Beximco Pharma and Square Pharma and gave its seal of approval.

Now, some other local drug makers are working to get the FDA approval.

The development comes at a time when the pharmaceutical industry is looking to accelerate the export of generic drugs by taking advantage of the World Trade Organisation's patent waiver facility for least-developed countries until January 2033.

Bangladesh's pharmaceutical indus-

try, which meets 97 percent of the domestic requirements, has so far shipped generic drugs to nearly 100 markets.

Of the countries, 50 regularly import drugs from Bangladesh, according to industry insiders.

Export earnings increased 13 percent year-on-year to \$82 million in fiscal 2015-16, according to the Export Promotion Bureau. In fiscal 2009-10, total earnings from pharmaceutical exports were only \$41 million.

Haider declined to share the value of the first shipment to the US, which accounts for one-third of the \$1 trillion global pharmaceutical market.

Total spending on medicines in the US reached \$310 billion in 2015 on an estimated net price basis, up 8.5 percent from the previous year, according to the IMS Institute for Healthcare Informatics.

The annual generic drug market in the US stands at \$70-80 billion, Haider said, adding that the entry into the US market will open doors to other countries.

"This recognition implies that we can make quality medicine. As FDA recognition is one of the highest recognition, there will be no questions about the quality of our product."

Beximco, which exported \$15 million worth of medicines in fiscal 2015-16, sent its maiden shipments to Kuwait and Australia this year.

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BB to focus on small, farm loans to meet credit target

REJAUL KARIM BYRON

Bangladesh Bank will put more emphasis on small and medium loans, including agricultural credit, to meet higher target for private sector credit growth.

The central bank will announce a new agriculture loan policy today for the current fiscal year where some new steps will be taken so that the real clients of the farm and non-farm sectors get loans.

A BB official said the target for total agricultural loan in the current fiscal year has been set at Tk 17,550 crore which is 7 percent higher than that of the previous year.

The target for the last fiscal year -- Tk 16,400 crore -- was met by June.

This year private banks will be given a mandatory condition that they will have to distribute 30 percent of their total targeted loans through their own branches.

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