

# India plans crackdown on marketing by drugmakers

REUTERS, Mumbai

India, one of the world's largest markets for pharmaceuticals, is drawing up its first set of marketing rules for drugmakers, restricting gifts and trips offered to doctors and pharmacists to 1,000 rupees (\$15), according to a draft proposal seen by Reuters.

While such rules are common elsewhere in the world and adhered to by large pharmaceutical companies, they are not set in stone in India, where campaigners have long demanded a crackdown on unethical selling practices. These have included gifts ranging from electrical appliances to foreign junkets to encourage doctors and pharmacists to prescribe and stock certain medications.

Currently, India has only a voluntary marketing code that critics say is ineffective.

"In India, corruption and bribery of doctors is widespread," said Samiran Nundy, one of India's leading gastrointestinal surgeons. "I've seen a range of ways in which this works, from presents to doctors to paying for them to attend conferences in places like Thailand."

"It's great that marketing rules are coming into place, but there are a huge number of regulations in India that are not enforced," he added. "I hope that these will be enforced."

Apart from limiting marketing spending, the draft proposal drawn up the Department of Pharmaceuticals and being reviewed by India's law ministry would also forbid drugmakers from making misleading claims around the

curative abilities and efficacy of drugs.

The rules also impose strict limitations on the number of trial samples offered to doctors.

An official at the Department of Pharmaceuticals declined to comment on the specifics of the draft, but told Reuters that the order was being reviewed.

The official, who asked not to be named, said no timeline has yet been set on the implementation of the new rules.

According to the draft seen by Reuters, a failure to abide by the rules will result in a marketing ban on a drugmaker for more than a year depending on the degree of the violation, and the confiscation of "all packets of the highest selling brand of drugs" made by that company.

The seized drugs will be handed over for use at government hospitals across the country.

Companies can turn a marketing suspension order into a cash fine, according to the proposal. They will have to pay penalties of between 500,000 rupees (\$7,800) and 100,000,000 rupees (\$1.56 million) to reverse a marketing suspension order, depending on the severity.

In a letter last year, Tapan Sen, a member of India's upper house of Parliament, urged the government to act on drafting a mandatory code on the marketing of pharmaceuticals, citing irregular practices by several companies.

Indian media reported that the letter said the country's largest drugmaker, Sun Pharma, Abbott India and privately-held Macleods Pharmaceuticals were among drugmakers

found to have sent doctors on "pleasure trips."

Abbott said at the time that it had a strict policy against providing gifts and other incentives to doctors, while Macleods refuted the allegations.

A Sun spokesman told Reuters the company organizes 'continuous medical education' programs to educate doctors, not promote its products, and these are compliant with the voluntary marketing guidelines set by the government in 2015.

The current draft says companies will be allowed to organize screening camps or awareness campaigns at public health centers, but it bars advertising by stealth and mandates that doctors involved in such events be paid commensurate to their average daily income.

To ensure implementation of the rules, an 'Ethics Compliance Officer' of the rank of joint secretary to the Indian government would be appointed.

Pharmaceutical marketing practices have long been a subject of controversy globally. In India, where health insurance is scarce and many rely on pharmacists for medical advice, critics say sketchy practices have led to the over-prescription of strong cocktail drugs, causing drug-resistance.

GlaxoSmithKline was battered by a bribery scandal in China that landed it with a record \$490 million fine in 2014.

It went on to slash the number of sales reps and overhaul its business globally, stopping sales-based incentives for drug reps and reducing paid junkets for doctors.



**AFM Asif, CEO of Bengal Meat, and Bora Tumer, head of delegation in Bangladesh of Turkish Red Crescent, exchange the signed documents of a deal at a programme. Bengal Meat will provide Turkish Red Crescent with different services, including sourcing of disease-free quality cattle, health management and slaughtering of cattle, meat processing, packaging and its distribution.**

## FDI for apparel to be allowed in special economic zones: Tofail

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No SEZ has started functioning yet although the Bangladesh Economic Zones Authority has been working hard to develop such zones across the country either by leasing out land to individual local companies or to countries like Japan, India and China.

Many garment manufacturing companies from China, Japan and Mexico want to relocate their factories to Bangladesh, but the government cannot allow them at a wholesale rate as local entrepreneurs have a lot of investment in the apparel sector, the minister said.

The government has already allocated an SEZ for Japanese investors in Bangladesh. The Japanese investors can invest in SEZs in Bangladesh, Ahmed told reporters after a meeting with Japanese Ambassador in Bangladesh Masato Watanabe at his secretariat office yesterday.

Currently, the number of Japanese investors in Bangladesh is 350, of which many are big multinational companies, the minister said, adding that even 10 years ago the number of Japanese companies in the country was 50.

Bangladeshi exports, especially apparel items, have been increasing to Japan, riding on a zero-duty benefit under relaxed rules of origin of Japan. Exports of garment products to the far-eastern nation -- whose apparel market is worth about \$40 billion a year -- raked in \$744.47 million last fiscal year, according to data from Bangladesh Export Promotion Bureau.

Overall exports to Japan also declined 5.6

percent to \$1.01 billion in fiscal 2016-17. Japan is the only destination in Asia where Bangladesh's overall exports crossed the \$1 billion mark in each of the previous two years.

Garment shipments to Japan from Bangladesh began after the adoption of "China Plus One" policy by the Japanese government in 2008 to reduce overdependence on China for goods like apparel, electronic gadgets and home appliances.

The "China Plus One" policy was supplemented by the relaxation of the Rules of Origin by the Japanese government for least-developed countries, which worked in Bangladesh's favour.

Bangladeshi garment manufacturers have been enjoying zero-duty benefit on apparel exports to Japan even if the raw materials were imported. The fiscal stimulus package introduced by the government for new markets in 2009 has also helped in boosting exports to Japan.

Not only garment items, shipment of leather goods and leather shoes from Bangladesh to Japan in recent years is on the rise due to the duty benefit and quality products, the minister said.

Ahmed said Japan was in the process of investing \$6 billion to develop the Matarbari power plant at Cox's Bazar.

"Our bilateral relationship is very positive. The relationship between the two countries will grow further in future," said Watanabe, who will be going back to Japan very soon following the completion of his stint in Bangladesh.



**Saiful Azam, managing director of Azam Enterprise, attends a seminar on the products of NSK and Bando, at a function at Fars Hotel and Resorts in Dhaka. The company is an authorised distributor of NSK and Bando products.**

## Remittance slide continues

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It also said apartment purchase loan facilities in Bangladesh can also be marketed more actively to attract foreign savings of our migrant workers.

Remittance is a major source of foreign currency for Bangladesh and its descent since fiscal 2015-16 has progressively become a matter of concern for the government.

There has been a supply-demand mismatch of the US dollar due to the declining inflows.

## China, BRICS trade ministers vow to fight protectionism

REUTERS, Shanghai

China and the other BRICS nations pledged on Wednesday to fight protectionism and safeguard intellectual property rights, even as US President Donald Trump considers action against what he sees as unfair trade practices by China.

Trade ministers from Brazil, Russia, India, China and South Africa concluded two days of meetings in Shanghai agreeing to deepen trade and investment links, and "safeguard and develop" the multi-lateral trading system, according to a

statement by Chinese Commerce Minister Zhong Shan.

"Ministers were committed to continue to firmly oppose trade and investment protectionism, re-committed to their existing pledge for both standstill and rollback of protectionist measures, and called upon countries to join in that commitment," the statement said.

The ministers also approved guidelines for cooperation between the five countries on intellectual property rights (IPR). "Ministers agreed to promote exchanges and cooperation on IPR legislation and

enforcement in order to create favourable conditions for trade and innovation-driven economic development," the statement said.

China's Commerce Minister Zhong Shan attends a news conference of BRICS (Brazil, Russia, India, China and South Africa) trade ministers meeting in Shanghai, China August 2, 2017. Aly Song

On Tuesday, a senior Trump administration official said Trump could decide as early as this week on how to respond to what he considers China's unfair trade practices.

## Trade through Benapole port gets a boost

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He hoped the revenue income would go up further in the days to come.

On July 19, the government decided to keep the Benapole and Chittagong ports operational for 24 hours a day, seven days a week to ensure quick movement of goods and reduce congestion.

The decision was taken following Prime Minister Sheikh Hasina's instruction to enable port users to run businesses at a reduced cost and time.

The Benapole land port area, however, faced security risks because of

load-shedding from evening to 10pm, prompting businessmen to demand nonstop electricity supply.

The National Board of Revenue has, meanwhile, appointed 34 more officials to deal with the increased trade.

Motiar Rahman, chairman of the port sub-committee of the India-Bangladesh Chamber of Commerce and Industry, welcomed the round the clock service at the port and the customs house.

He, however, said a fraction of the officials of the billing section are

forcibly realising Tk 500 to Tk 700 from the port users as overtime charges after 5pm.

When contacted, Rejaul Hossen, deputy director of the port, said it is illegal to realise money in the name of overtime charges. "We will investigate the issue."

The customs authorities of India also asked the authorities of Petrapole port to keep it open for 24 hours a day.

The Benapole-Petrapole route accounts for an estimated 60 percent of over \$6 billion bilateral trade between the two countries.

## Mongla not fit to take heat off Ctg port

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About 92 percent of Bangladesh's seaborne trade is done through the Chittagong port. "We do not see any rise in ships. Things are going as usual," said Mohammad Golam Mostofa, acting chairman of Mongla Port Authority, on Aug 1.

Port users blamed the low draft in the channel for the port's failure to realise its full potential. The draft determines the minimum depth of water a ship or boat can safely navigate.

Experts on several occasions in the past said the seaport in Mongla can play a pivotal role in facilitating overseas trade in the southwest part of the nation as well as the landlocked countries such as Nepal and Bhutan.

A more vibrant port would also help tackle the emerging regional inequality within the country, and facilitate increased international trade, they added.

At present, the Pashur river has 7-8 metres of draft. But 8.5-9.5 metres draft depth is needed for relatively bigger container vessels to anchor at the jetty, according to port users.

"This is the reason why Mongla port does not see a rising flow of container ships," said Ahsanul Huq Chowdhury, chairman of the Bangladesh Shipping Agents' Association, adding that the

channel's draft is 6-7 metres.

"Ships cannot be diverted if there is a dearth of draft," he said.

Placed at the confluence of Passur and Mongla rivers, the port, which accounts for 8 percent of maritime trade, handled only 37 container ships in fiscal 2016-17, down from 46 such vessels a year earlier.

However, the number of cargo ships rose last fiscal year from a year earlier.

The Mongla port, which sits about 71 nautical miles (132 kilometres) upstream from the Bay of Bengal, handled 75.13 lakh tonnes of cargo in fiscal 2016-17, up 30 percent year-on-year. Most of them are import cargo and clinker.

The port can handle one crore tonnes (10 million tonnes) of cargo a year, said Mostafa Kamal, director of traffic at Mongla port, adding that 55 percent of the port's capacity was in use.

Some port officials and users said initiatives were taken in the past to make the port more attractive to users.

However, those did not bring higher freight due to shortage of ships and containers for shipment and increased hours needed to transport goods between Mongla and Dhaka, said officials.

Asif A Chowdhury, director of Bangladesh Freight Forwarders Association, said shipment from the

Mongla is low.

"There is also a question of whether importers will use the port. Most of the importers open letters of credit to clear goods from Chittagong."

To make Mongla attractive, the draft has to be increased.

"Dredging is a continuous process -- there should be regular dredging. The river bed will become silted if you pause for a month," he said, while also calling for adequate equipment and facility at the port.

A senior official of the Mongla Port Authority said the government should allocate funds for dredging to ensure 10-metre draft to the jetty.

"Uninterrupted dredging can allow us to achieve that depth of the channel," he said, adding that dredging in the channel was stopped in November 2014.

Drastic support from the government is necessary to ensure increased use of the port, said Faruque Hassan, vice-president of Bangladesh Garment Manufacturers and Exporters Association.

"This is high time the government took steps to encourage increased use of the port."

Hassan went on to suggest that the government should give massive incentives to businesses and assurances of speedy clearance of goods to shipping lines.



**Syed AK Anwaruzzaman, managing director of Star Ceramics Ltd; Mohammad Sarwar Hossain, managing director of Roots Investment Ltd, and Md Sohail Rahman, CEO of ICB Capital Management Ltd, attend a deal signing ceremony at the office of Star Ceramics in Dhaka on Monday. The ordinary shares of Star Ceramics will be issued through initial public offering under the book building method.**

STAR CERAMICS

## New CSR guideline on cards

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Mannan's comments came at a conference styled 'Propagating CSR programmes by corporate in Bangladesh', held yesterday at the headquarters of the Dhaka Chamber of Commerce and Industry in the capital.

The event was organised by the chamber and the Bangladesh chapter of SR Asia, an international organisation promoting CSR and sustainable development. The government will soon form a national council to finalise the CSR policy in light of the recommendations, Mannan said.

Every sector should get emphasis to achieve sustainable development goals. "I think this CSR guideline will play an important role in meeting the challenges," he added.

The policy guideline will have five chapters that will cover the principles

and implementation of CSR funds, said Mohammad Monirul Islam, deputy chief of the planning commission.

"It will be a comprehensive guideline," he added.

The activities based on the corporate social responsibility theme started in the country a long time ago but they are yet to be institutionalised, said Abul Kasem Khan, president of the DCCI.

CSR activities will play an important role in achieving the targets for poverty alleviation, workplace development and acceleration of economic growth, he added.

CSR policies have already been formulated in different countries of Asia and it has gained an institutional form, said Sumaya Rashid, country director of SR Asia Bangladesh.

"But in Bangladesh, such activities have not yet reached the institutional

level." SR Asia plans to form a platform on CSR in Bangladesh.

"The need for such a forum has arisen because we lack the platform that can help, guide and escalate CSR activities in the country."

The forum will be a knowledge sharing hub for helping businesses and it will work closely with the government and design methods that will complement the sustainable development goals, she added.

"Bangladesh is an emerging market where the focus on CSR has been exponentially rising," said ASM Amanullah, a professor of the sociology department of Dhaka University.

The rise has been valuable not only for improving human rights, governance, community and environmental development, but also for the industrialisation of the country, he added.