

# Fight against diabetes takes a step forward

*Novo Nordisk teams up with Eskayef to make modern insulin products locally*

STAR BUSINESS REPORT

**N**OVO Nordisk's goal to defeat diabetes took a significant step forward in Bangladesh last week after the Danish healthcare giant agreed to transfer its advanced proprietary technology to manufacture modern insulin products locally.

Typically, diabetic patients get insulin into their bloodstream by carefully drawing the requisite dosage out of a vial through a syringe and then subcutaneously injecting it with a needle.

But in 1985, Novo Nordisk came up with the insulin pen, which eliminated the need to dexterously measure the requisite dose out of the vial every time and carry and transport vials and syringes.

The insulin pen comes with an insulin cartridge, a needle attached to deliver the medication and a dial to measure the dose, thereby leading to accurate dosages.

Eskayef Pharmaceuticals, one of the top medicine-makers in Bangladesh, has been manufacturing human insulin vials for Novo Nordisk since 2012, but insulin pens are still imported from Denmark.

But now, under a new agreement signed in Dhaka on Wednesday insulin pens will be produced in Bangladesh as well, in a development that will make the convenient and reliable method of insulin intake more affordable for a wider number of people.

The Danish company has six such production facilities outside of its home country but this is the first time that it has partnered with a foreign company to set up a plant to manufacture insulin products with the Penfill technology.

Asked why Novo Nordisk has chosen Bangladesh to transfer the proprietary technology, Sebnem Avsar Tuna, its corporate vice-president for Oceania and Southeast Asia, said: "It is because of Eskayef."

"It is a historic moment for both the companies," said Simeen Hossain,



**Right, Simeen Hossain, managing director of Eskayef Pharmaceuticals Ltd, speaks during an interview in Dhaka last week, while Sebnem Avsar Tuna, corporate vice-president for Novo Nordisk's Oceania and Southeast Asia regions, looks on.**

managing director of Eskayef Pharmaceuticals.

With the number of patients growing in the diabetic sector, having this modern insulin manufactured locally in Bangladesh will benefit the country and the people of Bangladesh, she said.

The move shows Novo Nordisk's commitment to making the lives of diabetic patients in Bangladesh easier, Tuna told The Daily Star in an interview.

Tuna was in Dhaka recently to attend the signing of the preliminary agreement for the state-of-the-art production facility.

The production facility, which will be set up at a cost of Tk 300 crore, is expected to be complete in three years.

As many as 69 lakh people are living with diabetes in Bangladesh and the figure will double to 1.37 crore by

2045, according to the International Diabetes Federation.

"But if you look into the prevalence rates globally, it should be even much higher. That means there are many more patients, either not knowing that they are living with diabetes or are not able to get access to the treatment," Tuna said.

Non-communicable diseases and particularly diabetes are a big burden not just because of the number of patients, but because of the economics of scale that it is coming up with.

"We say in Novo Nordisk, treating diabetes is not expensive, but not treating diabetes is very expensive," Tuna said, while lauding the Danish pharmaceutical giant's long-lasting partnership with the Diabetic Association of Bangladesh.

Hossain went on to praise Novo Nordisk for the outstanding support it

has extended to Eskayef in the past eight years.

"It has been a great learning for us. It has helped us develop our quality standard and take this quality standard across other aspects of the company."

"Because of the core competency, we are able to manufacture and maintain the highest quality standards in terms of manufacturing and all the other aspects of the business, and also in the most ethical manner."

Over the years, Eskayef has emerged as one of the leading pharmaceutical companies in Bangladesh.

Its state-of-the-art manufacturing facility has been approved by stringent global regulators, including the UK MHRA, European Medicines Agency, TGA Australia, VMD UK and the Unicef.

"That itself is an endorsement that we have the highest quality and we do

maintain the highest quality, the global standards."

The new insulin production facility will be housed at Eskayef's existing plant in Tongi.

Eskayef exports its products to different countries in Asia, Africa, Europe and Australia. Apart from Novo Nordisk, it has partnership with global companies such as Novartis and Servier.

Tuna said, as a global company, Novo Nordisk has a lot of standards in terms of quality in bio-technology, audits and good manufacturing practice requirements of the European Union, and the Food and Drug Administration of the US.

The same standards were required and asked of Eskayef when it started producing insulin for the Danish company in 2012, she said.

"They [Eskayef] have been so professional, delivering all those requirements," Tuna added.

"Due to the high quality and the trust that has already been established many years back, we are confident that Eskayef will take it further in the highest technology for the best quality products of insulin."

Hossain also talked about the growing presence of women business leaders in Bangladesh.

She said there are competent female leaders not just in the pharmaceutical industry but in all sectors.

"I think the most important thing in a leader is not the gender. A leader, be it a male or female, has to be competitively competent to sustain in this fast-paced industry or any industry for that matter."

On her style of nurturing talent, Hossain said she does not believe that a leader alone can do everything.

"I believe in delegation and empowering my team. I think that is the success of Eskayef or Transcom Group. We delegate and we empower. I really don't believe in micromanagement. I believe any success is the success of the team as a whole, not one person."

## Bitcoin skids amid broad cryptocurrency sell-off

REUTERS, New York

Cryptocurrencies plunged on Friday, with bitcoin at one point sliding below \$8,000 and headed for its biggest weekly loss since December 2013, amid worries about a regulatory clampdown globally.

The currencies have come off their lows but analysts said the sell-off was probably not over.

This week's slump brought the total market value of cryptocurrencies down to around \$400 billion, half the high it reached in January, according to industry tracker Coinmarketcap.com.

The market value of cryptocurrencies is calculated by multiplying the number of digital coins in existence by their price, although many question whether that is the right way to value them.

Bitcoin, the biggest and best-known cryptocurrency, fell as much as 15 percent on Friday to a two-month low of \$7,625 on the Luxembourg-based Bitstamp exchange. It clawed back some losses and was down around 5.6 percent at \$8,498 in late New York trading.

The virtual currency is down by close to 25 percent this week and almost 40 percent in 2018. It surged more than 1,000 percent though in 2017.

For some market participants, bitcoin may be down, but it is not likely to fade.

## Xiaomi back to top five smartphone vendor



Men try out Xiaomi smartphones at the company's store in central Kiev, Ukraine.

REUTERS, Hong Kong

Chinese smartphone maker Xiaomi has climbed back into the global top five vendors list as the global market shrunk annually, even if only by a fraction, for the first time in 2017, according to a leading industry tracker.

Worldwide smartphone shipment volume in 2017 dipped by 0.1 percent to 1.47 billion, representing the first annual shrinkage, according to data from IDC released on Friday. Another tracker Strategy Analytics indicated a 1 percent rise.

With consumers showing no strong desire to upgrade to more expensive new flagship devices, both China and the United States - the world's largest and third-largest smartphone markets - saw a decline in the last quarter, leading to a 6.3 percent year-on-year drop in total shipment volume in the quarter according to IDC.

Strategy Analytics put the same figure at 9 percent, the biggest fall in smartphone history.

Despite the weak reception of iPhone X, Apple shipped more phones than Samsung in the last quarter, according to IDC data.

China's Xiaomi replaced domestic rival Vivo to occupy the spot of the world's fifth-largest smartphone maker after its smartphone shipment grew 74.5 percent to 92.4 million units in the year.

Samsung Electronics, Apple Inc., and China's Huawei Technologies and OPPO maintained their top four positions.

The market consolidated towards the top five vendors during the year as shipment volume by others combined dropped 11.7 percent.

Xiaomi, which is now exploring a public listing and valued at around \$100 billion, was once the largest vendor in China in 2014 and 2015 before sales stagnated over the next two years amid fierce competition.

## US hiring accelerates; annual wage growth strongest since 2009

REUTERS, Washington

**U**S job growth surged in January and wages increased further, recording their largest annual gain in more than 8-1/2 years, bolstering expectations that inflation will push higher this year as the labour market hits full employment.

Nonfarm payrolls jumped by 200,000 jobs last month after rising 160,000 in December, the Labor Department said on Friday.

The unemployment rate was unchanged at a 17-year low of 4.1 percent. Average hourly earnings rose 0.3 percent in January to \$26.74, building on December's solid 0.4 percent gain.

That boosted the year-on-year increase in average hourly earnings to 2.9 percent, the largest rise since June 2009, from 2.7 percent in December. Workers, however, put in fewer hours last month likely because of bitterly cold weather.

The average workweek fell to 34.3 hours, the shortest in four months, from 34.5 hours in December.

The robust employment report underscored the strong momentum in the economy, raising the possibility that the Federal Reserve could be a bit more aggressive in raising interest rates this year. The US central bank has forecast three rate increases this year after raising borrowing costs three times in 2017.

"The acceleration in average hourly earnings growth punches a hole in the narrative that wage growth remains lacklustre," said Scott Anderson, chief economist at Bank of the West in San Francisco. "The Goldilocks view of inflation is being sorely challenged right now."

Fed officials on Wednesday expressed optimism that inflation will rise toward the central bank's target this year. Policymakers, who voted to keep interest rates unchanged, described the labour market as having "continued to strengthen," and economic activity as "rising at a solid rate."

US financial markets have priced in a rate hike in March. Prices for US Treasuries fell, with the yield on the benchmark 10-year note hitting a four-year high as investors wor-



People line up to apply for jobs during Amazon Jobs Day at the Amazon.com Fulfillment Centre in Massachusetts, the USA.

REUTERS/FILE

ried about high inflation. The dollar rose against a basket of currencies on the data while US stocks were trading lower.

The unemployment rate dropped seven-tenths of a percentage point in 2017 and economists expect it to hit 3.5 percent by the end of the year. Economists say job gains are being driven by buoyant domestic and global demand.

Some worry that the Trump administration's \$1.5 billion tax cut package passed by the Republican-controlled US Congress in December, in the biggest overhaul of the tax code in 30 years, could cause the economy, already operating near full capacity, to overheat.

President Donald Trump and his fellow Republicans have cast the fiscal stimulus, which includes a reduction in the corporate income tax rate to 21 percent from 35 percent, as creating jobs and boosting economic growth.

"If the labour market is this strong and the tax cuts have yet to kick in, what will it look like when households and businesses actually start spending the money?" said Joel Naroff, chief economist at Naroff Economic Advisors in Holland Pennsylvania. "No good economy goes unpun-

ished and the punishment may already be starting to be meted out."

Economists polled by Reuters had forecast nonfarm payrolls rising by 180,000 jobs last month and the unemployment rate unchanged at 4.1 percent. January's jobs gains were above the monthly average of 192,000 over the past three months.

The economy needs to create 75,000 to 100,000 jobs per month to keep up with growth in the working-age population.

January marked the first full year of employment data under the Trump administration. Job growth averaged 176,000 per month under the current government, compared to 208,300 during last year of the Obama administration.

Job growth is expected to slow this year as the labour market hits full employment. Companies are already reporting difficulties finding qualified workers, which economists say will force some to significantly raise wages as they compete for scarce labour.

Wage growth last month came as increases in the minimum wage came into effect in 18 states in January. Wages probably also got a lift from the tax cut. Companies like Starbucks Corp and FedEx Corp have said they will use some

of the savings from lower taxes to boost wages for workers.

Further gains are expected in February when Walmart raises entry-level wages for hourly employees at its US stores. Annual wage growth is now close to the 3 percent that economists say is needed to push inflation towards the Fed's 2 percent target.

But the road to faster wage growth remains long. The year-on-year rise in average hourly earnings for production and non-supervisory workers was stuck at 2.4 percent in January.

A broader measure of unemployment, which includes people who want to work but have given up searching and those working part time because they cannot find full-time employment, rose one-tenth of a percentage point to 8.2 percent in January.

The unemployment rate for African Americans shot up to 7.7 percent from 6.8 percent and is more than double that of whites.

Manufacturing payrolls increased by 15,000 last month after rising 21,000 in December. The sector is being supported by strong domestic and international demand. A weak dollar is also providing a boost to manufacturing by making US-made goods more competitive on the international market.