



Joao Tabajara de Oliveira Junior, fifth from left, Brazilian ambassador to Bangladesh, and Simeen Rahman, fourth from left, group CEO of Transcom Ltd and managing director and CEO of Eskayef Pharmaceuticals Ltd, pose during a visit of Oliveira Junior to the manufacturing facility of Eskayef Pharmaceuticals in Tongi yesterday.

## Brazilian envoy praises standards of Eskayef plant

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"The state-of-the-art manufacturing plant and its passionate professionals make Eskayef a world class company here in Bangladesh," he said.

"The pharmaceutical industry is one of the most promising export industries of Bangladesh. And Eskayef has all the potential to export generic pharmaceutical products to Brazil and other countries of the world," Oliveira added.

The ambassador was welcomed by Simeen Rahman, managing director and CEO of Eskayef Pharmaceuticals and also group CEO of Transcom.

Oliveira visited various units of the Faraz Ayaaz Hossain Building, where he was briefed on the world-class technologies and operational excellence present at the manufacturing facility.

"Bangladesh and the whole world is facing an unprecedented challenge due to the coronavirus pandemic," Rahman said.

Eskayef's core competency lies in manufacturing international standard sterile products.

During the darkest time of the coronavirus outbreak, when there was no effective drug to treat Covid-19 patients, Eskayef launched Remdesivir, which has not only served the patients of Bangladesh but also many other countries.

"At Eskayef, we have a firm commitment to make every possible Covid-19 treatment available for the people of Bangladesh. We will serve the people to the best of our abilities in these crucial times," she added.

Eskayef's manufacturing facility is approved by many global and stringent regulatory authorities, including UK's MHRA, EU's GMP and Australia's TGA.

Eskayef recently became one of a few Asian companies to secure approval from the prestigious regulatory body -- the European Union Good Manufacturing Practice (EU GMP) -- to produce anti-cancer drugs.

The company's Oncology Manufacturing Facility is the country's first entity to have secured approval from the EU GMP.

Eskayef has been manufacturing quality medicines for the past 30 years. After serving the patients of Bangladesh, the company exports its products to 54 countries across Europe, North America, South America, Australia, Africa and Asia.

## IBM posts double-digit cloud revenue growth; says customers deferring some projects

REUTERS

International Business Machines Corp edged past Wall Street estimates for quarterly revenue on Monday, bolstered by higher demand for its cloud services, a business it is staking its future on as it prepares to spin off one of its legacy units.

IBM shares, however, fell 3 per cent after the company stayed away from issuing a forecast for the current quarter, citing uncertainty around a global economic recovery due to the COVID-19 pandemic.

"Clients' near-term priorities continue to include operational stability, flexibility and cash preservation, which tends to favor (operating expenses) over (capital expenses)," Chief Financial Officer James Kavanaugh said.

"This is resulting in some project delays and purchase deferrals."

Revenue from the cloud business, previously headed by Chief Executive Officer Arvind Krishna, rose 19 per cent to \$6 billion in the third quarter, offsetting weakness in much of its other businesses.

The boost from the cloud business further underscores IBM's move to focus on its high-margin open hybrid cloud and AI solutions, which together account for more than half of its recurring revenue, by spinning off its IT infrastructure services unit.

"Clients continue

to balance short-term challenges and opportunities for transformation ... More of my conversations with CEOs are around how they become digital businesses," Krishna said on a post-earnings call.

IBM's total revenue fell 2.6 per cent to \$17.56 billion in the reported quarter, but was slightly above analysts' estimates of \$17.54 billion, according to IBES data from Refinitiv.

Excluding the impact from currency and business divestitures, sales declined 3.1 per cent.

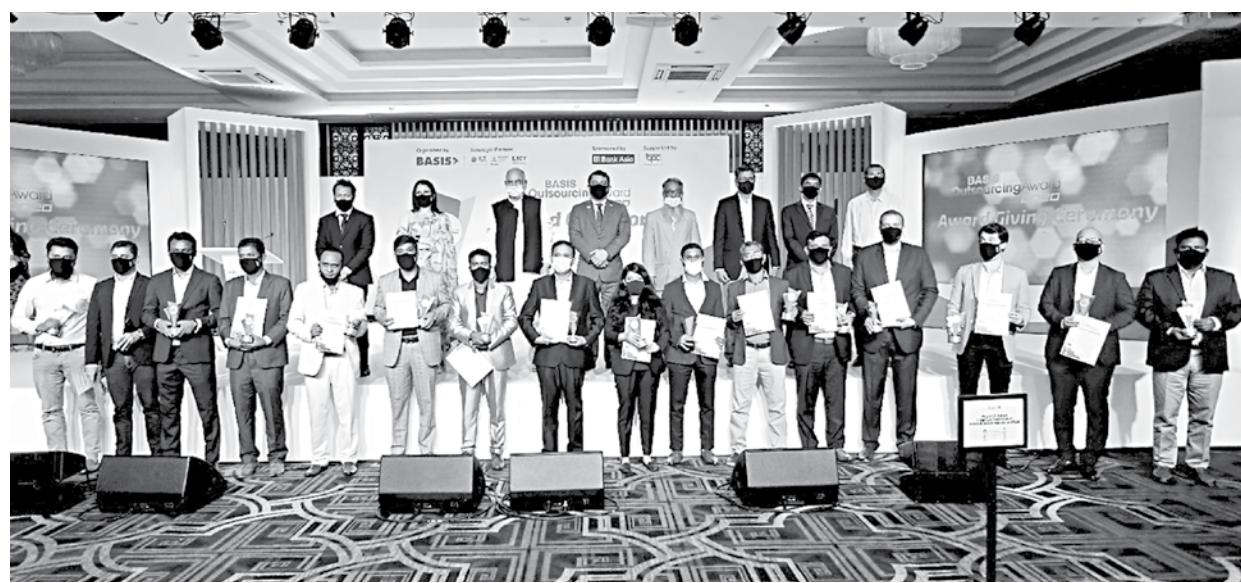
The global technology services segment, IBM's biggest unit that caters to some of the world's largest data centers, reported a 4 per cent drop in revenue to \$6.5 billion.

Excluding items, the company earned \$2.58 per share, which was in line with analysts' estimates.



REUTERS/FILE

A man wearing a protective mask walks past an office building with the IBM logo in the Central Business District of Sydney, Australia.



Syed Almas Kabir, president of the Bangladesh Association of Software and Information Services (BASIS), poses with recipients of "Basis Outsourcing Award 2020" at Radisson Blu Dhaka Water Garden recently. The event's sixth edition this year saw 87 individuals and organisations being presented the award.

## Fortis accuses AFC Health of using its trade name without consent

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And while the agreement has remained inoperative since 2018, Fortis did not ask AFC to stop using the trade name in hopes that the terms would eventually be revised by both parties.

However, Fortis never intended to allow the use of its brand without receiving payments in lieu thereof, the letter read.

In light of the situation, Fortis has urged the BSEC to open an investigation and subsequently take action against AFC as necessary for its alleged attempt to mislead general investors.

The stock market regulator should find the people responsible for this false information, including the underwriters and auditors who held draw up AFC's IPO prospectus, it said.

Fortis's management team was recently changed when IHH Healthcare Berhad, a leading

healthcare group based in Malaysia, took over the Indian company, according to Toufiq Hasan, general manager of AFC Health.

"The new management are not well informed about the terms since we reached an agreement for our Cumilla Hospital on May 10, 2017," he said.

Meanwhile, the Jashore unit is just an outreach clinic where visiting doctors from the Khulna hospital check on local patients.

"Somehow it was a misunderstanding with the new management so we have already started to talk with them and are going to submit our clarification to the BSEC today [yesterday]," Hasan said, adding that AFC has a 15-year agreement with Fortis.

About the non-payment issue, the general manager said that they are currently in the process of making payments.

Previously on October 27, the Dhaka Stock Exchange (DSE) sent an observation to the BSEC on AFC's listing, saying that most of the company's trade licences had expired between June 2018 and June 2019.

The expired licences include: AFC's import registration certificate, fire licence, licence for running a private hospital and pathological lab, drug licence, and environment clearance certificate.

Besides, the company did not distribute or utilise the workers' profit participation fund as per the Bangladesh Labour Act for the fiscal year that ended on June 30, 2018.

Citing the AFC's audit report, the DSE said that there seem to be exceptions to the accounting standards in preparing and presenting financial statements.

AFC responded by saying that they have already reapplyed for these licences.

## Shariah-compliant bonds by Dec

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The government borrows from both banking and non-banking sources by issuing T-bills, bonds and savings certificates to manage deficit financing.

The government's earnings from sukuk will not be spent to manage the deficit financing as it would be set aside for projects. The investors of the sukuk will avail the partial ownership of the projects as well.

The fund to be raised by issuing sukuk will be provided to the government by the central bank. Also, the central bank will calculate the profit ratio of the projects to decide on how much of the profit will be shared with the investors.

All operational expenditures of projects will be maintained by the central bank as part of its role of the SPV, a subsidiary created by a parent company to isolate financial risk.

Since the issuance of the first modern sukuk in 1996, the cumulative issuance of sukuk has crossed the \$1-trillion mark, according to the Islamic Finance Foundation, an initiative based in Manchester, UK aimed at developing the Islamic financial market. At the end of 2018, outstanding sukuk were valued at \$469.7 billion across 2,887 sukuk.

The global sukuk market has enjoyed tremendous growth since 2013, according to S&P Global Ratings, an American credit rating agency.

As measured by the Dow Jones Sukuk Total Return Index and the S&P Global High Yield Sukuk Index, the US dollar-denominated sukuk market experienced a compound annualised growth rate of nearly 18 per cent, driven by increased issuance from sovereigns and supranationals, as well as strong investor demand for Shariah-compliant securities. Historically, the majority of issuance has come from Saudi Arabia and Malaysia. However, the past three years have witnessed an increasing number of issuers from new markets, as well as a deeper and broader investor base, the agency said in February.

Sukuk issuance volume fell 27 per cent in the first six months of 2020 but it will total around \$100 billion for 2020, about 40 per cent lower than in 2019, said S&P Global Ratings in July.

## Dhaka bourse MD steps down

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But one shareholder director managed the situation by saying that "the upper level" wanted Hoq and if he was not chosen, there would be problems for the DSE, said one director in February.

This had compelled six of the seven independent directors and one of the local shareholder-directors to go for Hoq.

The controversy did not end there.

Normally, the nomination committee of the DSE makes a shortlist and sends the candidates' curricula vitae (CVs) to the board members for evaluation. The selected candidates are then called for a panel interview with the board and the best candidate is chosen.

The last time, the CVs of the short-listed persons were not sent to the board, so they were not called for interview, in violation of the selection process, said another director at the time. An independent director said the DSE board was not happy about Hoq's performance. So, he had no option other than resigning.

He also fell out with the same shareholder-director, who used his influence to make him the MD. This weakened his position in the company, he added.

Hoq did not receive phone calls.

## Bangladesh will do its best to bring more Japanese investment

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He then lauded the HSBC for further strengthening the economic and business link between Bangladesh and Japan.

"The establishment of Arahaz Economic Zone is a \$1 billion investment project, which will attract lots of Japanese investment," said Naoki Ito, Japan's ambassador to Bangladesh.

The zone has the potential to be the best economic zone in Asia by overcoming challenges of business environment such as tax, custom's clearance and foreign remittance as well as giving incentives, he added.

"HSBC's extensive global network offers unparalleled access to high-growth markets like Bangladesh," said Matthew Lobner, head of international and head of strategy and planning for Asia Pacific at HSBC.

"By leveraging our international

footprint, we connect businesses to a network covering more than 90 per cent of the global GDP, trade and capital flows."

A message from Bangladesh Bank Governor Fazle Kabir was also read out at the event.

"Japan has been a key trusted development partner of Bangladesh's growth story and the momentum is expected to grow exponentially in coming years," said Kabir.

The two key sectors where Bangladesh is expected to witness significant Japanese investment are energy and infrastructure development," he added.

Kabir also said Japanese investments that to cater to growing domestic demand and facilitate supply chain reconfigurations also hold immense growth potential.

Japanese investment in Bangladesh

soared 160 per cent year-on-year to \$72.9 million in 2019.

A Jetro survey found that 70 per cent of the existing Japanese companies in Bangladesh are keen on expanding their operations.

Shahabuddin Ahmed, ambassador of Bangladesh to Japan; Md Sirazul Islam, executive chairman of the Bangladesh Investment Development Authority; and Paban Chowdhury, executive chairman of the Bangladesh Economic Zones Authority, also spoke at the event.

Hayakawa Yuho, chief representative for Bangladesh office at the Japan International Cooperation Agency; Yuji Ando, country representative at Jetro Bangladesh; Takasuke Sekine, head of global business at HSBC Japan, and Md Mahbub ur Rahman, CEO of HSBC Bangladesh, also shared their thoughts.

Hayakawa Yuho, chief representative for Bangladesh office at the Japan International Cooperation Agency; Yuji Ando, country representative at Jetro Bangladesh; Takasuke Sekine, head of global business at HSBC Japan, and Md Mahbub ur Rahman, CEO of HSBC Bangladesh, also shared their thoughts.

ILO's regional director for Asia and the Pacific, said that this research highlights the massive impact Covid-19 has had on the garment industry at every level.

"Thankfully though, many apparel exporters have resumed their operations over the past few months. At the same time, these resilient Bangladeshi enterprises and workforces are having to wrestle with the ongoing pandemic and ensure safe conditions for all," said Tuomo Poutiainen, country director for ILO Bangladesh.

## Pandemic affects both owners and workers: ILO study

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However, producers are seeing vast differences in the distribution of resumed orders with larger firms recovering more orders than their small and medium-sized counterparts, the study said.

The ILO research highlights that major buying countries' imports from garment-exporting nations in Asia dropped by as much as 70 per cent in the first half of 2020, due to falling consumer demand, government lockdown measures, and disruptions to raw material imports.

As of September 2020, almost half of all jobs in the garment supply chain were dependent on the demand for garments from consumers living in countries with the most stringent lockdown measures in place, where retail sales have plummeted.

The Asia-Pacific region employed an estimated 65 million workers in the garment sector 2019, accounting for 75 per cent of all garment workers worldwide.

Speaking about the findings, Chihoko Asada Miyakawa, the

## Big push needed in digitalisation

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Bangladesh accounts for about 49 per cent of Marico's international business in terms of consumption. Marico's business in the country grew by 12 per cent in fiscal 2020, delivering a consistent double-digit growth for three years in a row. Marico now has business operations in 26 countries across various emerging markets in Asia and Africa and each geographic location presents unique opportunities and challenges.

"But our experience in Bangladesh has been a positive one and so, we would proudly advocate for Bangladesh as a top investment destination," Gopal said.

There is a lot of interest in the country's digital economy and the government has kept a strong focus on achieving its sustainable development goals while also seriously tackling climate vulnerability.

There has been a gradual revival of consumer sentiment due to focused government efforts and the restart of the economy as sectors like home electronics, mobile phones and textiles are returning to their growth momentum.

"At Marico, we also expect to have business growth as we ride out this crisis and believe that the right socio-economic indicators are in place to unlock the Bangladesh's potential in post-Covid era," he added.

## Only authorised dealers can import gold jewellery: BB

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According to commerce ministry documents, Bangladesh's annual demand for gold is between 20 tonnes and 40 tonnes and almost 80 per cent of it is met by smuggled gold and the rest by recycled gold.

This deprives the government of a huge amount of revenue and creates scope for money laundering and accumulation of black money, prompting the government to come up with the policy in 2018.

Before the policy came into force, importers could bring in gold subject to permission from the BB. But in reality, gold had never been imported through legal channels since Bangladesh gained independence in 1971.

Between 1971 and 2015, some 2.2 tonnes of seized illegal gold worth \$90 million had been added to the foreign currency reserves.

## Focus on skills as 25pc of garment manufacturing to be automated by 2023

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It is very important that female entrepreneurs get collateral free loans as they face different difficulties in getting a business up and running, said Jatiya Sangsad Speaker Shirin Sharmin Chaudhury.

Of the challenges, some lie in the process of obtaining trade licences and loans from banks, she said.

Some 80 per cent of enterprises owned by females have been affected as part of the fallout of the Covid-19 pandemic as most of those are cottage, micro, small and medium ones, which have been hit hard, said AmCham President Syed Ersheed Ahmed.

Till date, a majority of female entrepreneurs could not avail loans from the government-sponsored stimulus packages, he said. Although many female entrepreneurs have been affected as part of the fallout of the Covid-19 pandemic, many have also benefitted, said Luna Shamshuddoh, an AmCham member and chairperson of Dohatec New Media.

Moderating the meeting, she also put emphasis on the importance of skilling, reskilling and upskilling of workers, reasoning that the global economy was transforming into a digitalised one.

