

# DBL Pharmaceuticals starts journey

STAR BUSINESS DESK

DBL Group has made a foray into the pharmaceutical industry after enjoying success in its export-based garments and ceramic tiles businesses.

Following the guidelines of US Food and Drug Administration, World Health Organisation and Good Manufacturing Practices, the company set up the factory at the cost of Tk 700 crore in the Kashimpur area of Gazipur. The plant was inaugurated by Zahid Maleque, minister of health and family welfare yesterday.

"The number of Covid-19 cases considering Bangladesh's population is low if we compare with many other countries, especially our neighbouring India. Definitely this is a sign of improvement of our health sector," he said.

"We have already stepped into US markets through contract manufacturing by one of our sister concerns, DBL Pharmaceuticals Inc. We are marketing two generic medicines in the US with success," said MA Jabbar, managing director of DBL.

"In the near future, we have plans to export products manufactured in this Kashimpur plant to the US along with other developed countries," he added.

Habib-E-Millat, a member of parliament from Sirajganj; Maj Gen Md Mahbubur Rahman, director general of the Directorate General of Drug Administration; SM Abdur Rahman, dean of the faculty of pharmacy at the University of Dhaka; Abdul Wahed, chairman of DBL Group; MA Jabbar, managing director; MA Rahim, vice-chairman; and MA Quader, deputy managing director, were also present at the event.



DBL Group officially entered the pharmaceutical market yesterday with the Minister of Health and Family Welfare Zahid Maleque inaugurating its first production unit in the Kashimpur area of Gazipur. Habib-E-Millat, a member of parliament from Sirajganj and Maj Gen Md Mahbubur Rahman, director general of the Directorate General of Drug Administration, were present.

PHOTO: DBL GROUP

## RAMPURA-AMULIA-DEMRA HIGHWAY Chinese firms to turn it into four lanes

STAR BUSINESS REPORT

The cabinet committee on purchase yesterday awarded two Chinese joint venture companies a public private partnership project on upgrading the Rampura-Amulia-Demra highway into four lanes for Tk 2,094 crore.

The two -- Consortium of China Communications Construction Company Ltd and China Road and Bridge Corporation -- obtained the approval as investors.

The Roads and Highways Department under Road Transport and Highways Division will supervise the project.

Chairing the meeting, Finance Minister AHM Mustafa Kamal said the joint ventures would also maintain the highway for 25 years.

The committee also decided to import 60,000 tonnes of urea fertiliser from Saudi Basic Industries Corporation in two lots at higher than previous rates as prices have soared in international markets, said Shamsul Arefin, additional secretary to the cabinet division.

The first 30,000 tonnes will cost Tk 206.31 crore at \$778 per tonne, up \$56 per tonne.

The second lot will cost Tk 200.31 crore at \$802 per tonne, up \$44 per tonne.

The government will also source 30,000 tonnes of granular urea fertiliser from the Karnaphuli Fertilizer Company Limited for Tk 198.72 crore. The rate is \$767 per tonne, down \$11 per tonne from a previous rate.

The meeting also decided not to construct a flyover from Shantinagar to Jhilmil on the Dhaka-Mawa road, something which has been under consideration for nearly 15 years.

The minister, in a briefing afterwards, said as per the current situation, there was no need to build such a flyover as the infrastructures on the Dhaka-Mawa highway have already been improved a lot.

However, if the ministry concerned wants to do something else regarding this, it can conduct a study on it, Kamal said.

Besides, eight proposals were raised in the meeting for approval.

Of the financing meant for those, Tk 167,79,54,900 will be spent from government funds and Tk 982,38,08,793 from local banks, World Bank, Asian Development Bank and the Saudi Fund for Development.

## US wholesale prices may be accelerating again: govt

AFP, Washington

US wholesale prices remained high in October and showed signs of accelerating again, the government reported Tuesday, as the world's largest economy battles a wave of inflation.

The producer price index (PPI) rose 0.6 per cent, seasonally adjusted, in October, according to the Labor Department, which was in line with analyst expectations and slightly higher than September's increase.

Compared to the same month in 2020, PPI increased 8.6 per cent, the same rate as the prior month, the report said. The United States has seen prices increase throughout this year as business normalized with the help of widespread Covid-19 vaccines. But rising inflation has been fueled by shortages of workers and components, amid a global snarl in supply chains.

Goods made up the majority of the wholesale price increases, particularly energy, which rose 4.8 per cent last month.

Among services, transportation and warehousing prices increased 1.7 per cent.

"With supply dynamics showing few signs of abating before year end, we look for PPI inflation to peak later in (the fourth quarter) before price pressures gradually moderate across 2022," Mahir Rasheed of Oxford Economics said.

The PPI data signaled building price pressures in the pipeline that could spill over to consumers.

With volatile food, energy and trade costs excluded, PPI rose 0.4 per cent last month, faster than the 0.1 per cent increase in September, and it was up 6.2 per cent year-over-year in October after a 5.9 per cent gain the month prior.

The Labor Department will release consumer price data on Wednesday, which economists also expect to accelerate.

Higher inflation raises the possibility the Federal Reserve will have to raise interest rates sharply to contain the price increases, but Fed officials say inflation should retreat once the supply and labor issues are resolved.

## China factory-gate inflation hits new high in October

AFP, Beijing

China's factory-gate inflation hit a 26-year high in October while fresh virus outbreaks and soaring food and energy prices sent consumer prices up more than forecast, official figures showed Wednesday.

The producer price index (PPI) has been rising for four straight months, putting pressure on authorities to stop costs from running out of control, just as officials battle to kickstart a recovery in the world's number two economy.

The reopening from lockdowns around the world has ramped up energy demand just as stockpiles are low, with supply struggles made worse by China's drive to meet environmental targets.

The PPI, which measures the cost of goods at the factory gate, jumped a bigger-than-expected 13.5 per cent on-year in October, said the National Bureau of Statistics.

"The rise in PPI expanded due to the combination of imported global factors and the tight supply of major domestic energy and raw materials," said NBS senior statistician Dong Lijuan.

These include a sharp increase in domestic coal prices, rising oil and gas prices globally and supply chain disruptions, said Rajiv Biswas of IHS Markit.

Another recent factor, he added, was a sharp uptick in shipping costs around the world "due to the strong rebound in trade flows" between China, the United States, and Europe.

PPI reached 10.7 per cent in September, which was then the highest on record in NBS data since the mid-1990s.

"The surge of PPI inflation is especially negative for investment demand as developers and local governments are financially stretched this year due to the unprecedented property

curbs," Nomura chief China economist Lu Ting told AFP.

Factory prices have also been pushing up export costs and "impairing Chinese exporters' competitiveness", although the PPI may have now peaked as Beijing moved to contain coal prices.

Dong said 36 out of 40 industrial sectors surveyed saw price increases, including spikes in coal mining and oil and natural gas extraction.

The consumer price index (CPI), a key gauge of retail inflation, meanwhile picked up more than expected in October after four months of decline.

The CPI hit 1.5 per cent -- up from 0.7 per cent in September.

Vegetable costs surged almost 16 per cent owing to poor weather, coronavirus outbreaks and rising transportation costs, Dong said.

The government this month urged people to stock up on food amid increasingly tight measures to contain its latest Covid outbreak -- prompting reports of panic buying across the country.

The commerce ministry notice also told authorities to take measures to facilitate agricultural production, keep supply chains smooth, and maintain stable prices.



Employees work on the assembly line of X1 compact sport-utility vehicles at the Tiexi Plant of BMW Brilliance Automotive in Shenyang, Liaoning province, China on October 23.

AFP/FILE

## UK to consult on possible central bank digital currency

REUTERS, London

The Bank of England and Britain's finance ministry said on Tuesday that they would hold a formal consultation next year on whether to move forward on a possible central bank digital currency (CBDC) that would take years to introduce.

Central banks across the world are studying digital versions of their currencies to avoid leaving digital payments to the private sector as the decline of cash has accelerated in some cases due to the Covid-19 pandemic.

"No decision has been made on whether to introduce a CBDC in the UK, which would be a major national infrastructure project," the BoE said in a statement.

"The earliest date for launch of a UK CBDC would be in the second half of the decade," it added.

The consultation paper will set out an assessment from the ministry and BoE of the case for a CBDC before a decision on whether to proceed.

## Aziz Pipes' production closure raises questions

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The shareholding of the directors of the company dropped during these periods so the question came to the fore whether the directors benefited from the share price movement, the asset manager added.

On June 30 of 2020, the company's sponsors held 33.83 per cent shares of Aziz Pipes. It reduced to 23.93 per cent on August 31 this year.

Here, the sponsors have breached laws as they did not give any announcement about the sales though it is mandatory as per the Corporate Governance Code of 2018.

The code stipulates that every sponsor or director of a company must submit a written report to the exchange and the Bangladesh Securities and Exchange Commission about their intention to buy or sell. The exchange will disseminate such information.

"ICB is our director, and it sold shares, but it said that they don't need to give any disclosure about the share sale," said AHM Zakaria, company secretary of Aziz Pipes, referring to the state-run Investment Corporation of Bangladesh.

"I do what our directors instruct me to do," he said.

Abdul Mannan, a retail trader, said he

had bought shares of Aziz Pipes at a market price of Tk 154 after it disclosed its plan to restart production.

"Suddenly, the stock started to fall. Now, with the announcement of the shutdown, the stock fell further, and I incurred losses. This is upsetting," he added.

As the raw material price surged, the price of the products manufactured by Aziz Pipes doesn't cover the production cost, he said. "So, we decided to close the factory," said Zakaria.

A senior official of the BSEC said the commission would look into how the directors sold shares without giving any disclosure and whether any insider trading took place.

In the 2020-21 financial year, Aziz Pipes incurred a loss of Tk 43.9 lakh, after logging a profit of Tk 13.91 lakh a year earlier, according to the company's financial report.

Due to the loss, the company declared no dividend for shareholders. It provided a one per cent cash dividend in 2019-20.

The company has defaulted on its payments to loans with Dutch-Bangla Bank Ltd and Uttara Bank.

Shares of Aziz Pipes closed 4.5 per cent higher at Tk 92.80 on the Dhaka Stock Exchange yesterday.

## HC asks govt to explain failure to probe IDRA chief's alleged graft

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The companies also ought to have earned revenue that justifies their contribution to the funds. "This is not possible for the companies that are stated to be non-operative," said the petition.

The more likely scenario is that the two companies and their four funds are being used by Mosharraf Hossain as a conduit for laundering money obtained through corruption, it said.

The bank accounts of the companies bear no evidence of periodic and regular contributions to the funds.

Hence, the transactions are proof of corruption, it added.

This was not the first time the IDRA chairman is facing corruption allegations.

In December, Delta Life Insurance complained to the ACC against the IDRA chief for demanding Tk 50 lakh in bribes to give approval for the reappointment of the company's chief executive officer and renewal of the actuarial valuation basis.

The IDRA also appointed an administrator in Delta Life Insurance in February, saying it was needed to protect policyholders' interests and unearth breaches of rules that came to light following special and investigative audits into the insurer.

The VAT Audit, Intelligence and Investigation Directorate of the NBR has filed a case against Delta for evading Tk 35.18 crore in value-added tax. Hossain could not be reached for comments.

## UK sets out post-Brexit financial regulation aims

AFP, London

Britain on Tuesday outlined plans for new financial regulation laws following its departure from the European Union, with the aim of securing long-term UK economic growth and international competitiveness.

The country finalised its divorce from the European Union late last year, but a Brexit trade deal omitted the powerhouse financial services sector and has hampered its access to the continent.

The UK's key financial sector known as the City and based in the heart of London is already facing fierce competition from Amsterdam, Frankfurt, New York and Singapore.

"Reflecting the importance of the sector as an engine for growth, the government

will set UK regulators an objective to facilitate the long-term growth and international competitiveness of the UK economy," a statement from Britain's Treasury said Tuesday.

UK regulators will be handed powers to set their own rules, it added.

Finance minister Rishi Sunak said the "proposals will support the future strength of the UK as a global financial centre".

This he added would ensure "an agile and dynamic approach to regulation that supports the growth of the UK economy, without diverging from our continued commitment to high international standards".

The Treasury said its proposals would allow for the "repealing of the majority of retained EU financial services law that is no longer appropriate for the UK".

## Business confidence jumps as pandemic wanes: study

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Fifty-two per cent called the recovery moderate.

The research organisation listed the emerging challenges for the economic recovery, such as fuel price hike, inflationary pressure, falling remittances inflow, and the risk of new Covid-19. It suggested a wider coverage of coronavirus vaccination. The survey said 46.2 per cent of the firms availed loans in the last one year. Of them, 77.5 per cent borrowed from the formal sector such as banks and the rest took loans from informal sector such as friends, relatives, and cooperatives.

The Sanem also asked the businesses about the problems they faced in getting loans under the stimulus package.

Thirty per cent of the respondents complained that they were asked to pay a bribe for a loan, up from 12 per cent alleged in the fifth round of the survey.

In the latest survey, 75 per cent of firms complained about the lengthy procedure in securing loans, up from 63 per cent in the previous one.

## World congress on IT begins today

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The ICT Division organised a press conference to announce the four-day show yesterday.

The Asia-Oceania International Conference ASOCIO "Digital Summit 2021" will also be held at the same time.

The entire event will be held on both physical and virtual platforms. President Mohammad Abdul Hamid is scheduled to inaugurate the event as chief guest.

## Country's first hydrogen fuel plant nears completion

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Tawfiq-e-Elahi Chowdhury, adviser to the prime minister for energy, power and mineral resources, yesterday visited the hydrogen plant.

After his visit, Chowdhury told reporters that the government had taken several initiatives to increase the domestic use of hydrogen fuel. "Since this is the first plant in Bangladesh, the government is emphasising research in this sector," he said.

Hydrogen is becoming more popular all over the world as an environment-friendly alternative to fossil fuels.

"So, the main aim of the project is to make the fuel more affordable and popular," Chowdhury added.

Since the raw materials required, such as biomass and water, are readily available in Bangladesh, hydrogen fuel could play a big role in the future as renewable energy.

"The project also aims to promote private investment in hydrogen fuel plants," he said.

Md Abdus Salam, project director of the BCSIR, told The Daily Star that one kg of hydrogen could be generated from nine litres of water. About 33.33 kWh (Kilowatt-hour) of energy comes from one kg of hydrogen fuel, while petrol and

concentrated natural gas provided 12 kWh and 14.7 kWh, respectively.

A car can run 100.131 kilometres using one kg of hydrogen fuel, whereas a traditional vehicle runs 16 km using one litre of petrol.

Besides, production, delivery and distribution costs were taken into consideration to determine the price of hydrogen fuel for usability, with the current unit price ranging from \$1.60-10.

Hydrogen fuel systems do not require extensive infrastructure development and investment along with traditional fuel systems. Besides, hydrogen production is very promising in Bangladesh due to the abundance of water and biomass.

"In addition, hydrogen fuel will boost energy security, energy reserves and the national economy," Salam said.

Energy from fossil fuels and renewable sources can be stored in the form of hydrogen, which can be used later by converting it into fuel or different forms of energy if required.

"This would add a large-scale renewable energy source to the national grid," he said, adding that training workshops are already underway to ensure skilled human resources for the industry.