

China to beef up anti-monopoly efforts in pharma

REUTERS, Beijing

China will toughen law enforcement to curb monopoly practices and unfair competition in the pharmaceutical industry as the government seeks to foster a good business environment, the industry ministry said on Sunday.

The action follows November's regulatory guidelines to stamp out monopolies in active pharmaceutical ingredients (API). China leads the world in making and exporting these products.

In a statement, the ministry of industry and information technology said it would "strengthen law enforcement against unfair competition".

It will also stiffen enforcement of anti-monopoly laws in the areas of drug shortages and APIs, prepare and adopt antitrust guidelines in the API market.

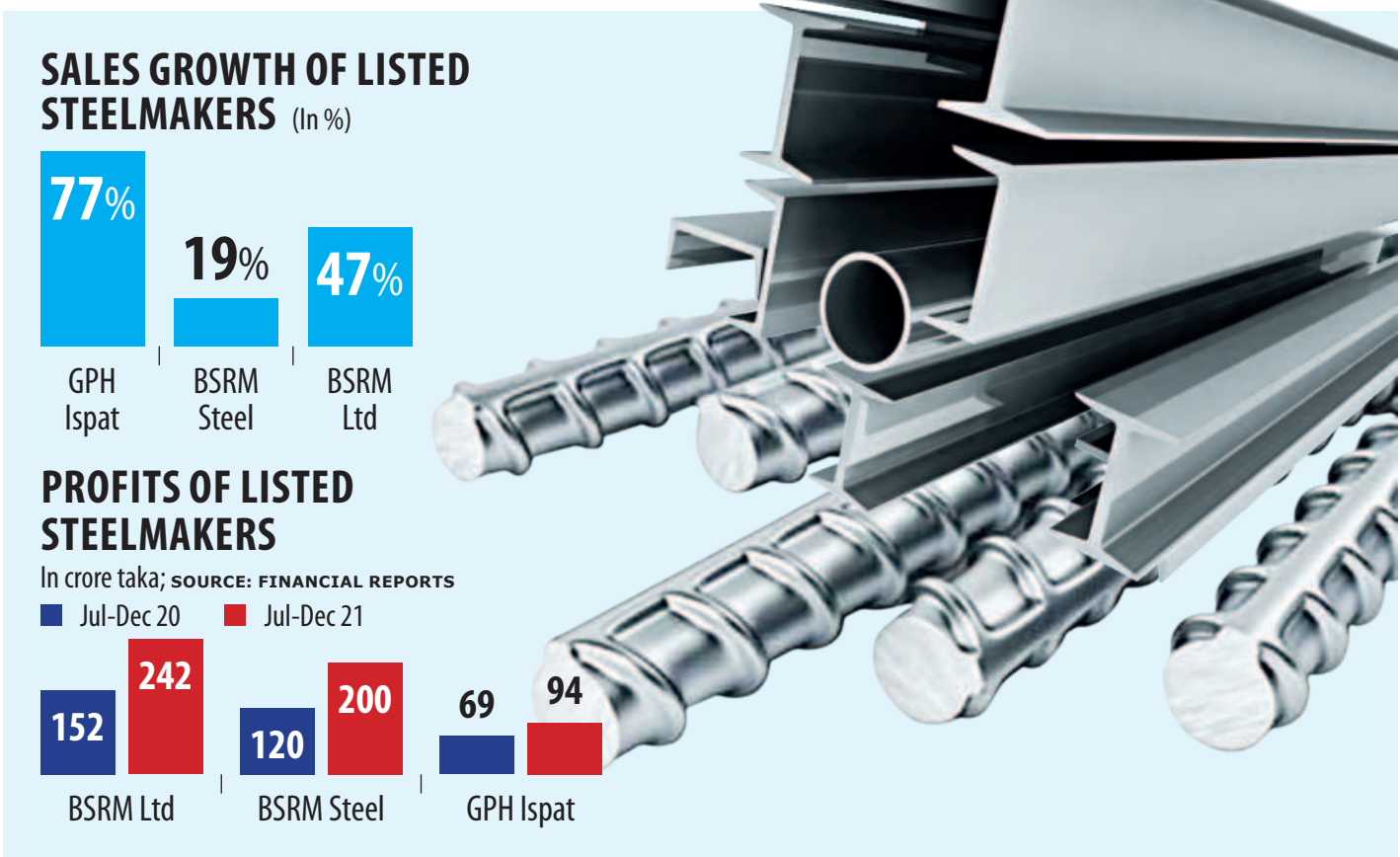
Turkey to cut interest rates further

REUTERS, Ankara

Turkish President Tayyip Erdogan repeated his unorthodox economic policy on Saturday, saying interest rates would be lowered further and inflation would fall as a result, days before inflation data for January is announced, adding the country's economic woes would pass.

Embroiled in a currency crisis fuelled by the central bank's move to slash rates by 500 basis points since September as part of an economic model engineered by Erdogan, Turkey saw December inflation soar to its highest level in Erdogan's 19-year rule.

A Reuters poll on Friday showed it is expected to hit a near 20-year high of 47 per cent in January.



Steelmakers' earnings soar on higher sales

AHSAN HABIB

Profits of listed steel manufacturers have soared thanks to higher volumes of sales made after the economy opened up in full swing.

The producers claimed the higher profits did not result from higher rod prices, explaining that they had raised rod prices to make partial adjustments to an increase in price of raw materials.

Among the five listed steelmakers, the BSRM, BSRM Steel and GPH Ispat have disclosed their financial reports. Of the remainders, SS Steel mainly deals with stainless steel while RSRM Steel has not disclosed its information yet.

The first three companies logged a staggering profit growth of more than 53 per cent on an average year-on-year in the first half of the current financial year of 2021-22.

Their average sales-induced revenue growth was more than 47 per cent in the six months.

The sales revenue climbed due to higher demand from government projects and private sector construction, said Tapan Sengupta, deputy managing director of the BSRM.

Many construction activities were brought to a halt during the early period of the pandemic and those resumed simultaneously, so the demand rose, he said.

Asked whether the higher prices of rods

resulted in the stunning profit growth, Sengupta responded that they had been forced to raise the prices as prices of raw materials had soared.

Prices of scrap more than doubled to stand at \$560 to \$580 per tonne at present from \$250 to \$275 in the pre-pandemic period, he said, adding that the price of the finished goods was not raised at the same extent.

Among the five listed steelmakers, BSRM, BSRM Steel and GPH Ispat have disclosed their financial reports. Of the remainders, SS Steel mainly deals with stainless steel while RSRM Steel has not disclosed its information yet

The price of the 60-grade rod and 40-grade rod went up by around 32 per cent and 31 per cent respectively in the last one year, according to the state-run Trading Corporation of Bangladesh.

"Due to the supply chain disruption during the pandemic and sudden demand from all the buyers, the raw material prices rose," said Sengupta.

Along with the raw material prices,

logistics costs also soared, he said citing an example of freight charges.

In cases where the freight charge was \$30 to \$35 in the pre-pandemic period, the cost had gone up to \$110 to \$120 at present, he said. "Container charges also more than doubled, so our costs soared," he said.

"We could raise the price of finished goods partly," he added.

Raw material costs ate up 90 per cent of the BSRM's revenue in the recent half yearly, which was 84 per cent in the same period of the previous financial year, shows financial reports of the BSRM.

Abu Bakar Siddique, company secretary of GPH Ispat, said their higher sales and profits were a result of starting production in new projects.

Its new Tk 2,390-crore plant began production in late 2020 using state-of-the-art technology, which is an expansion of GPH Ispat's existing operations.

The unit has an annual capacity to produce 840,000 tonnes of mild steel (MS) billets and 640,000 tonnes of MS rod and medium section products, such as support beams and flat bars.

"Now, our capacity has risen and range of products diversified. If the raw material prices had not soared, our profits would be much higher," he said.

As the income level of the people rose and many people are sending remittance to the rural areas, demand for rods is soaring, he added.

Beximco Pharma profits jump on vaccine income

STAR BUSINESS REPORT

Beximco Pharmaceuticals' profit jumped by a whopping 41 per cent year-on-year during the first half of the financial year 2021-22 thanks to higher incomes in the form of coronavirus vaccine distribution fees.

The drug maker's profit stood at Tk 313 crore in the six months, which was Tk 222 crore in the same period of the previous year.

The income of the company increased predominantly for incomes from vaccine distribution fees, which was not there in the period being compared with, the company said in its unaudited financial report.

From vaccine distribution fee, the drug maker earned around Tk 61.92 crore in the six-month period.

"These have contributed towards an increase in consolidated earnings per share," said the document.

Consolidated operating cash flow per share also increased due to the higher revenue and improved net working capital.

The company achieved over 17 per cent growth year-on-year in consolidated sales as it logged sales of Tk 1,696 crore in the latest half yearly.

The transfer of ownership of Sanofi Bangladesh was completed on September 30, 2021 for Tk 469.6 crore, according to the financial report.

Sanofi Bangladesh was not included in the financials of Beximco Pharmaceuticals.

Stock investors to get monthly e-statement

STAR BUSINESS REPORT

Central Depository Bangladesh Ltd (CDBL), the sole securities depository enterprise in Bangladesh, is offering a monthly e-statement service for stock market investors in order to ensure transparency in trading activities.

Without any charge, beneficiary owner (BO) account holders will get the monthly transaction statement service through e-mail.

The statement would be sent in the first week of each month giving the information of every transaction of a BO account in the previous month.

To avail the service, investors need to update their e-mail address and mobile number with the BO account and they will get it automatically.

Yesterday, the service was launched at an event that was organised by CDBL at the Bangladesh Securities and Exchange Commission building at Agargaon.

BSEC Chairman Prof Shibli Rubayat Ul Islam was the chief guest at the event which had speakers including commissioners Shaikh Shamsuddin Ahmed and Md Abdul Halim and CDBL's Managing Director and CEO Shuvra Kanti Choudhury.

Chaldal on expansion

FROM PAGE B1

The company plans to roll out its operation in Rajshahi, Gazipur, Mymensingh and Cumilla within a few weeks as it looks to establish its presence in 15-20 districts by 2022.

"We have gained the confidence that if we invest outside of Dhaka, we will be able to attain profitability by a year," said Alim.

In Bangladesh, customers are more aware of online shopping and feel more confident now than ever. The coronavirus pandemic has accelerated e-commerce.

"We could expand at a faster pace, but the development of skilled workforce takes time. We don't want to go for any expansion without skilled employees since there are concerns about the safety and security of customers," said Alim.

Chaldal has 25 delivery warehouses in six cities. Of them, 17 are in Dhaka and eight are outside of the capital. It wants to lift the number of warehouses

across the country to 100 by 2022.

How the pandemic has turbocharged its growth can be inferred from the increase in the number of orders placed on the site.

Before the crisis, it used to make 2,500 deliveries daily on average. It has increased to around 12,000 deliveries now driven by the growing demand for home delivery for groceries, hygiene products and other consumer staples.

Its revenue clocked more than 200 per cent growth in 2020 and 65 per cent in 2021.

Before March 2020, when the pandemic hit the country, Chaldal was a team of around 950 people. By the end of 2020, it grew to 1,700 and in 2021, Chaldal hired another 1,000. Currently, it employs around 3,000 employees.

About 600 employees work at its office in Sheikh Hasina Software Technology Park in Jashore, making it the largest employer in hi-tech parks in Bangladesh.

"Jobs are being created not only for the delivery segment. Many graduates are now working with us in the technology and customers care services," Alim said.

Now, customers can select from more than 15,000 different products at Chaldal, which is the second-largest grocery operator and the largest e-grocery company in Bangladesh after retail chain giant Shwapno.

Alim credits pricing for another reason for the growth spurt of Chaldal.

"We can deliver some products at lower than the market price since we buy them in bulk. However, it does not mean we sell products without making any profit."

The recent expansion of Chaldal follows its announcement in September last year of raising \$10 million. It has raised \$28 million to \$30 million since its inception in 2013.

Generally, most of the online platforms in Bangladesh receive

orders from customers and deliver products from the warehouses of the suppliers. But Chaldal has taken a different approach.

It delivers products from its own warehouses instead of retail stores or the warehouses of suppliers, merchants or producers.

For that, it utilised two layers of warehouses. One was used to source products from suppliers and the other was used to make the delivery to end customers.

"This model helps us deliver products quickly as there are a number of micro-warehouses in a city," said an executive of the company.

Chaldal has recently added another layer to its warehouse system as it introduced an "export warehouse" in order to serve customers from outside of Dhaka. It recently opened such a warehouse spread over 70,000 square feet of area in Savar.

The company acquired e-pharmacy startup BanglaMeds recently.

"The IMF is always conservative. I believe our goals will be achieved," Kamal said.

The size of the economy would be \$455 billion in the current fiscal year.

"Through this, we would be able to cross the half-trillion dollar milestone," he added.

Prices of power-assisted bikes on rise in Japan

ANN/ THE JAPAN NEWS

Prices are on the rise for power-assisted bicycles, which are becoming fixtures as a means of transportation in everyday life.

This is not only because they have become increasingly popular during the Covid-19 pandemic as a means to get around while avoiding trains and buses crowded with commuters, but also because there have been global shortages of raw materials, parts and components.

Although battery-powered

bicycles have drawn a lot of attention as "a winning product" because of their growing sales during the pandemic, price hikes cast a shadow over their future success in the market.

Power-assisted bikes make up a section at a retailer in central Tokyo, where models boasting energy-saving functions and lightweight features are on display.

The retailer said there has been an increase in consumers who say, "I don't want to commute on crowded trains," and purchase the bikes to

travel to work.

But popular models, on which a child seat can be fitted, have shot up in price by about 10 per cent since last year, to as high as about ¥150,000.

"There's a likelihood that the number of people who shy away from buying one after seeing the price tag will increase," the shop clerk in charge said, expressing concern. Bridgestone Cycle Corp. embarked on a price hike of such bikes ranging from 2 per cent to 5 per cent in October.

Scope aims at curbing capital

FROM PAGE B1

However, only export-oriented firms have been allowed to make the investment, according to a notice issued by the Bangladesh Bank.

"It is a good initiative. Our competitiveness has increased. The people of the country are now very

innovative.

The country has now evolved from a least-developed country to a developing nation. If this is not done now, we will lag behind other countries," Kamal said.

Responding to another query whether Bangladesh's economic

growth would slow this year, Kamal said the government's estimate is the GDP growth would be 7.2 per cent in the current financial year.

The International Monetary Fund has projected that Bangladesh's economy would expand by 6.6 per cent.

Freelancers to get

Green garment

FROM PAGE B1

For instance, buyers' price amounts to only 15 per cent of the retail price of a garment item. "If the price is raised to 30 per cent, it will be better for all stakeholders."

Mohammad Zahidullah, head of sustainability at DBL Group, one of the largest garment exporters, said buyers always wanted to hear good stories but they were not paying fair prices to manufacturers.

Khondaker Golam Moazzem, research director of the CPD, thinks green initiatives should be pro-workers.

The garment industry has already set a standard in labour issues and is expected to do the same when it comes to setting environmental standards, he said.

Fahmida Khatun, executive director of the CPD, moderated the discussion.

Freelancer and Guru were among the selected marketplaces.

The freelancers in Bangladesh will get a boost with the incentives, something they have been seeking for a long time.

It is really encouraging that the government is now giving special attention to the freelancers and the move will definitely give a boost to them, said Rashad Kabir, managing director of Dream71 Bangladesh.

The government has been providing a 10 per cent cash assistance against the export of ICT products and services since 2018.

But only institutional IT and freelancing companies having membership with the BASIS are eligible.

With the BB circular, almost all of the freelancers irrespective of their

membership with the BASIS will come under the 4 per cent incentive package.

The decision is likely to propel the flow of freelancers' earnings through official channels since some of the money comes through unofficial channels due to a lack of incentives.

"It's a common scenario in Bangladesh that many freelancers do not bring their whole remittance to Bangladesh," said Kabir, who is also a director of the BASIS.

"But with the introduction of an incentive facility they will be encouraged now to bring their whole income to the country, which will also add to the country's national GDP," he said.

The development comes at a time when the government has set a target

to increase export earnings in the IT and IT-enabled services sector from the current about \$1.1 billion to \$5 billion by 2025.

Bangladesh has six lakh IT service exporters or freelancers, and the number of team-based freelancing companies hovers around 1,600. Together they fetch roughly \$500 million annually, according to industry people.

Many freelancers are also growing big now and forming companies as the companies are getting 10 per cent cash incentives on foreign export.

The government should continue providing facilities to them as their growth not only will bring more remittance to the country but also create scopes for the emergence of a lot of jobs, added Kabir.