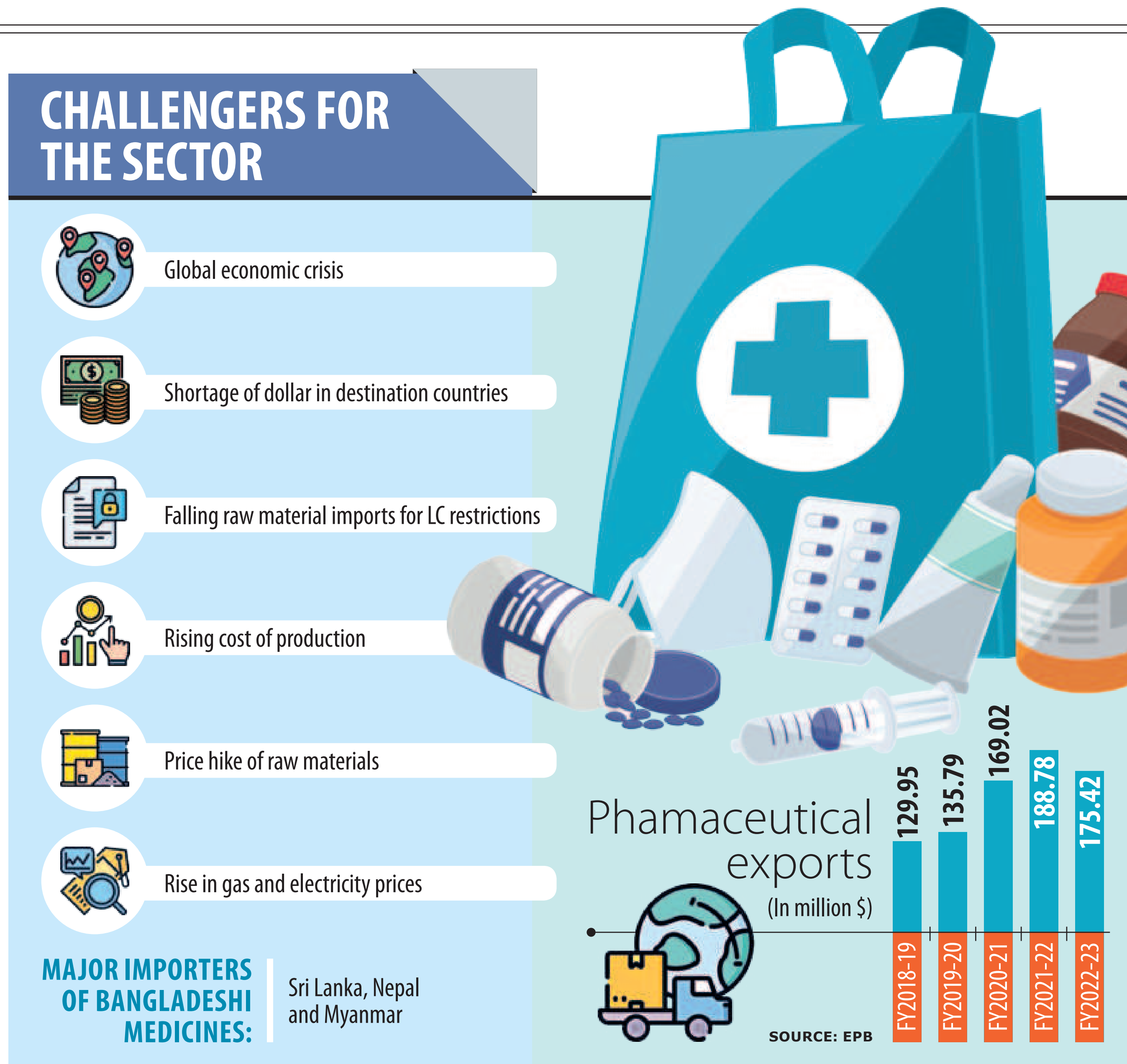
Pharmaceutical exports shrank 7pc in FY23

Industry people blame US dollar crunch in importing countries



JAGARAN CHAKMA

Pharmaceutical exports from Bangladesh shrank 7 per cent year-on-year in fiscal 2022-23 due to the impacts of global economic crises and subsequent US dollar shortage in most underdeveloped countries.

Data of the Export Promotion Bureau (EPB) shows that pharmaceutical exports fetched $175.42 million in the preceding fiscal year (FY), down from $188.78 million in FY2021-22.

Bangladesh mainly exports pharmaceutical products to least developed and developing countries, according to Monjurul Alam, chief executive officer of Beacon Pharmaceuticals Ltd.

As such, last fiscal year was challenging in terms of global business due to the direct impacts of the Russia-Ukraine war and persisting US dollar crunch in countries that import medicine from Bangladesh.

And amid the lack of exports, local drug makers could not reach promising new destinations, Alam said.

Besides, the industry suffered a lot because of falling raw material imports in face of restrictions on opening letters of credit, he added.

Also, production costs were higher due to the rising trend of raw material prices in the global market alongside price hikes for gas and power, pushing the industry into crisis.

This crisis is even worse than the one faced during the Covid-19 era, Alam said, adding that the situation will not improve until the war is resolved.

Alam also said they expected the market to revive in 2023, but there has been no sign of improvement so far as the global economic situation is yet to return to normalcy.

> **Amid the lack of exports, local drug makers could not reach promising new destinations. Besides, the industry suffered a lot because of falling raw material imports in face of restrictions on opening letters of credit.**
>
> **Monjurul Alam**
> CEO of Beacon Pharmaceuticals

Wasim Haider, senior manager of international business and marketing at Beximco Pharmaceuticals, said the impact of economic vulnerability in Nepal, Sri Lanka and Myanmar has fallen on the local pharmaceutical industry.

According to him, this is because these three countries are the top importers of medicine from Bangladesh, meaning that their reduced ability to make purchases has significantly impacted exports.

Besides, buyers from the US and EU offer lower prices than their current worth, Haider said while citing how production costs have increased.

"So, another reason for reduced exports is that we cannot sell the products at lower prices," he added.

Referring to a forecast by the World Trade Organisation, Haider said the market will remain dull until December this year and then gradually recover.

However, Renata Ltd, a leading drug maker in the country, maintained its export growth even amid the ongoing global economic crises.

"We tried to promote our products and managed to catch new buyers as well as reach new destinations, which helped keep our exports stable," said Md Jubayer Alam, company secretary of Renata Ltd.

Another reason for being able to maintain exports was that the company did not focus on shipping Covid-19 related products, he added.

Also, Renata's international marketing team frequently visited importing countries with advice on how to properly apply their medicines, generating goodwill in the global market.

Besides, the company focused on market expansion rather than making profit, he said.

"Now, we export to around 40 countries and have 63 products that hold bio-equivalent certification, which means our generic version is like an original one," Alam added.

Rules on 'tax deducted at source' framed as per new tax law

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has framed rules regarding tax deducted at source (TDS) in line with the new income tax law that came into effect last month.

"The rules will help the withholding tax deducting authorities, including companies, to cut and deposit the tax to the state coffer without ambiguity," said a senior official of the NBR.

The new rule on TDS became effective on July 1.

As per the new rules, taxpayers will be able to know the withholding tax rates against various sources of their incomes separately.

From the rule, importers will also be able to know advance income tax rate against imports of various products, said the official.

The rules have also incorporated formats of withholding tax returns for the convenience of taxpayers.

Banglalink launches tourist SIM

STAR BUSINESS REPORT

Mobile phone operator Banglalink yesterday launched tourist SIM, enabling foreign travellers to enjoy a seamless telecommunication service during their stay in Bangladesh.

The third-biggest network carrier has introduced six packages with validity between seven days and 30 days for both physical SIM cards and e-SIM.

Tourists will be able to make local and international calls, send and receive SMS, and experience Banglalink's wide range of digital services, the operator said in a press release.

The SIM cards will automatically be deactivated upon the expiry of the user's visa or the validity period of the package.

Each tourist can purchase up to two SIM cards by showing their passport at designated entry points and popular tourist spots across Bangladesh.

Upanga Dutta, chief commercial officer of Banglalink, said, "We have launched this initiative to deliver uninterrupted connectivity through our fastest 4G network to foreign tourists during their stay in Bangladesh."

"Our primary aim is to provide a seamless and hassle-free solution that allows visitors to stay connected and have access to Banglalink's comprehensive range of digital services."

What does it take to be a CEO?

MAMUN RASHID

The role and duties of a chief executive officer have changed a lot over the last 15 to 20 years. Becoming highly knowledgeable about technology is now a job requirement. Both internal and external stakeholders have become much more demanding too.

CEOs must spend a great deal of time on the well-being of their employees, both physical and mental. Sincere consideration of environmental, social and governance-related issues has become an integral focus of companies, and this requires CEOs to regularly address social issues. This was not the case a couple of decades ago.

Since the 2008 financial crisis, volatility has become the norm and not the exception, and therefore, business leaders have to constantly manage external disruptions. Covid-19 has added even more to the mix of ongoing instability. Thus, the CEO of today and the future has to be agile and courageous to handle unpredictability.

The preparation process for a rising CEO or an executive who is about to become a CEO is rigorous. It can be a personal and challenging experience that requires the candidates to consider matters across a broad spectrum.

Potential CEOs must be ready to embrace the fact that they are about to move from a private to a highly public persona because the CEO is the ultimate link between the inside of a business enterprise and the external world with which the company interacts. Immediately upon becoming a CEO, one has to deal with a much greater and expanded range of stakeholders.

Value creation is a key responsibility of a CEO. No matter how well-thought-out a CEO's value-creation agenda is, their success will depend on the deployment of the right talent against the most critical objectives and initiatives of the company. CEOs must act quickly when there are constant shifts and changes in talent acquisition and retention.

No matter how great a future CEO candidate may be in their past or current role, they must accept that they will never truly be ready to become a CEO because a lot of learning and development can only come from actually doing the job.

There will be some trial and error. For example, an executive with a good operations background could face difficulties in running company-wide initiatives. Someone with little or no exposure to the board of directors may find themselves figuring out the intricacies of engaging with the board. A rising CEO must accept that there will be many things that they don't know. Therefore, a meaningful preparation will help.

CEOs may have to become a "know it all". This does not mean having deep expertise on all matters but having a good amount of familiarity with multiple disciplines.

Obtaining feedback from a wide range of sources will be an ongoing and nonstop process. Reaching out far beyond the senior team is going to be the norm. The CEO will have to know the business from the ground up and for this, the CEO will need to connect with the people who actually do the work every day.

Great CEOs regularly reach out to customers who engage with the company's sales department, suppliers whose requirements impact everything from retail touch-points to investment allocation, leaders from other industries, experts on regulatory, technological, and geopolitical matters, and various external stakeholders.

The author is an economic analyst

Why are Opec+ supply cuts failing to boost oil prices?

REUTERS, *Dubai/London*

Opec+, a group comprising the Organization of the Petroleum Exporting Countries and allies including Russia that pumps around 40 per cent of the world's crude, has been cutting oil output since November in the face of flagging prices.

Members Saudi Arabia and Russia, the world's biggest oil exporters, deepened oil supply cuts on Monday in an effort to send prices higher. Yet the move only briefly lifted the market.

ANALYSIS

Both cuts came in addition to a broader Opec+ deal to limit supply into 2024 initially introduced in April, and take total output reductions announced to over five million barrels per day (bpd), or about 5 per cent of global oil output.

The surprise April announcement deepened production cuts introduced in November, and helped to raise prices by about $9 a barrel to above $87 per barrel in the days that followed.

But benchmark crude prices have shed those gains since, with Brent futures on Tuesday trading at just under $76 per barrel.

READ MORE ON B2

An oil storage facility is seen in Freeport, Texas. Oil benchmark Brent edged lower to $75.61 a barrel yesterday as concern over a global economic slowdown overshadowed supply cuts announced this week by top crude exporters Saudi Arabia and Russia. PHOTO: REUTERS/FILE

'Oil output cuts should be enough to balance market'

REUTERS

Additional oil output and export cuts made by Saudi Arabia and Russia earlier this week should be enough to help balance the oil market, United Arab Emirates' energy minister Suhail Al Mazrouei told reporters on Wednesday.

Opec+, a group comprising the Organization of the Petroleum Exporting Countries and allies, including Russia which pumps around 40 per cent of the world's crude, has been cutting oil output since November in the face of flagging prices.

Saudi Arabia and Russia, the world's biggest oil exporters, deepened oil supply cuts on Monday in an effort to send prices higher.