

SMC: bettering lives in Bangladesh for 50yrs

SOHEL PARVEZ

Anyone of over 30 years of age might recall radio advertisements aired during their childhood and adolescence on contraceptives—Raja and Maya.

The benefits of the two birth control items were aired frequently during breaks of programmes. The relentless campaign on the necessity of the use of contraceptives to control population growth paid off.

Over time, Raja and Maya became well-known brands of contraceptives at the grassroots, though they were not welcomed initially.

Raja and Maya faced social stigma and resistance in many places, but eventually became synonymous with Bangladesh's population growth control journey.

And this is just one of the triumphs of Social Marketing Company (SMC).

Beginning its journey in 1975 to encourage family planning and improve women's health and wellbeing, the not-for-profit venture worked in parallel with the government to address rapid population growth in Bangladesh.

This was unique as it was carried out through engaging private sector health service providers.

However, it was not easy in the early days. Only 10 percent of the population used contraceptives when the country was initially registering rapid population growth.

Moreover, the war-ravaged country was yet to recover from the associated economic crisis.



Toslim Uddin Khan

SMC started its journey in 1975

- It is a major contributor to Bangladesh's health and family planning initiatives
- SMC's micronutrient powder reduces iron deficiency, anemia
- Multiple micronutrient supplements help improve nutrition of pregnant women
- SMC accounts for major market share of contraceptives:

54% of pills	73% of condoms	50% of injectables	Overall, 49% of modern contraceptive use nationally
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MANUFACTURING UNITS

- Bhaluka, Mymensingh ORS, MNP and capsule manufacturing facility
- Food manufacturing facility
- Cumilla Health & hygiene factory
- Bhabanipur, Gazipur Electrolyte drink manufacturing plant

How do we manage twin deficit?

MAMUN RASHID

Bangladesh is trying to cope with a challenging economic situation. It is dealing with both a current account and a budget deficit, which means, we import more products and services than we export, and the government spends more than it earns. These deficits are more than simply statistics; they are vital indicators that require an immediate response to ensure economic stability and long-term development.

A new reappraisal of Bangladesh's GDP numbers has sparked widespread surprise. According to investment analysts, the country's GDP is predicted to be about \$300 billion in fiscal year (FY) 2023-24. This represents a significant drop from the previously stated \$459 billion. This recalibration, which was based on electricity use patterns in connection to regional economies, revealed disparities in the country's declared economic performance.

A big change like this has far-reaching consequences. Bangladesh's debt-to-GDP ratio is predicted to climb from 36% to a staggering 55% under the latest GDP projection. This shows that the country's debt is significantly more than previously anticipated. Accurate data are the foundation of appropriate policy formulation and effective government policy implementation. Therefore, these figures necessitate a rethinking of debt management and economic planning strategies.

To lower the fiscal deficit, the government needs to act decisively. Bangladesh has long struggled with a low tax base, extensive tax evasion and various tax exemptions without much economic logic. Comprehensive tax reforms that streamline compliance procedures are crucial. At the same time, a thorough examination of public expenditures is required. During high inflation, only essential expenditures should be carried out. While the government needs to pursue austerity for unproductive expenditures, it has to continue public investment which is critical for job creation so people have money to spend which will help boost the economy. Streamlining spending can free up resources for job-creating industries, physical infrastructure and social sectors such as healthcare and education.

Conversely, resolving the current account deficit requires a comprehensive approach. Diversification of the export basket is essential in several aspects. Though the readymade garments (RMG) sector has been the most important

source of foreign exchange earnings of Bangladesh the over-dependence on one sector for foreign reserves and employment generation for decades has increased the vulnerability of Bangladesh's economy to several threats, both internal and external. Within the RMG sector, product and market diversification is essential. Parallely, the country needs to enter new export markets with new products and services such as information technology services, pharmaceuticals, leather and agribusiness, which could add to its export income streams.

Another strategy is to advocate for foreign direct investment (FDI) which is currently less than 1% of Bangladesh's GDP. The Asian Development Bank predicts that Bangladesh's gross capital formation will account for 31% of its GDP in 2024, highlighting the growing importance of investment in the country's economic growth. Increasing the ease of doing business and ensuring regulatory uniformity are critical for attracting new investors.

Additionally, monetary policy has a significant role in addressing the current challenges. Bangladesh Bank must strike a delicate balance between preserving currency stability and reducing inflation. A falling taka value can increase export competitiveness, but also boost import costs, fuelling inflation. Although the central bank's monetary policy review for FY 2023-24 identified steps to ensure price stability, additional work is needed to increase the resilience of the economy to external shocks.

Structural reforms are essential and cannot be compromised. The enhancement of infrastructure, the fortification of institutions, and the establishment of a transparent regulatory framework can collectively augment national competitiveness. Investors underscore the importance of reliability and efficiency, and Bangladesh demonstrates the potential for progress in these domains. These measures can alleviate long-term deficits while simultaneously promoting productivity and fostering sustainable development.

Addressing the twin deficits in Bangladesh constitutes both an economic challenge and a critical assessment of leadership and vision. The recent adjustment to GDP highlights the need for immediate action, appropriate monetary policy, strategic export enhancement, and reinforced fiscal discipline. Bangladesh's capacity to confront these challenges with prudent and practical measures will help the economy be resilient in the short, medium and long term.

The author is the chairman of Financial Excellence Ltd



Another problem that the SMC wants to tackle involves underweight newborns. Khan said 16 out of 100 deliveries are underweight. If a baby is underweight, then there is a likelihood of the child suffering from diabetes and hypertension when he or she becomes an adult, he said.

"Family planning was a very difficult issue at that time," said Toslim Uddin Khan, managing director and CEO of SMC, which celebrated its 50th anniversary on January 25.

"There was no television channel and communication was really difficult. In some areas, there was also resistance. In fact, many pharmacies were reluctant to keep contraceptives," he said.

The SMC, which initially started as Family Planning Social Marketing Project (FPSMP) funded by USAID, started with innovative ways of reaching out to people.

It depended on the radio, which could reach the grassroots, for campaigns and raise awareness among

people. It also relied on mobile film programmes, which were audiovisual shows on automobiles, to reach remote rural communities. These raised awareness on health issues and advertised SMC's products.

However, film screenings through automobiles faced resistance in some places.

SMC sold the contraceptives at subsidised prices, using funds from USAID.

"After 10 years, we found that we made progress. We were getting a response. This was basically for our innovative way of marketing, promotional campaigns, increase in literacy and financial capacity of people," said Khan.

"We have made the products available across the country and ensured quality. We have never compromised on quality," he said.

"If you now pop into any pharmacy, you will see five to six or even more contraceptives and other products displayed on the shelves. But this was not the situation at that time," he said.

Building on the success of Raja and Maya, SMC afterwards began battling diarrhoea in 1985 to address a high number of deaths due to dehydration.

It started offering oral rehydration salts (ORS) even though it did not have a manufacturing facility.

"We depended on other sources," said Khan.

The non-profit established an ORS manufacturing facility in Bhaluka, Mymensingh, and it started operations in 2004.

And over the past four decades, SMC's ORS has become a household

name in Bangladesh, helping the nation fight the diarrhoea and curbing mortality, especially of children under the age of five.

"We found the result. Within 25 years, diarrhoea, which was the number one killer, has become the seventh or eighth (in terms of claiming lives)," said Khan.

"We make 1.5 billion sachets (of ORS) annually," said the official of the SMC, which holds an ORS market share of around 90 percent.

The SMC did not stop. It took on another mission. In its mission to improve health and hygiene of women during menstruation, the SMC launched a sanitary napkin named Joya in 2013.

Khan said it was a major health issue. "So, we made our product available in rural areas particularly among rural women of reproductive age and made the napkin accessible," he said.

"Now, our brand Joya is the number one popular brand in the rural community," he said, adding that 60 percent of rural women and adolescent girls use SMC's sanitary napkin.

"But still, we need to go far. I mean, we need to eliminate by 100 percent the risk of infection and associated complications for the use of dirty and unhygienic items during menstruation," he added.

The SMC also expanded its portfolio to address deficiency of micronutrients, particularly among children and women, and set up a subsidiary called SMC Enterprise, a for-profit entity, to separate profitable activities from non-profitable ones.

It established a pharma division in 2017.

Khan, who joined the SMC in 2002,

said the company implements its programmes through a "Star" network, namely Blue Star, Green Star, Pink and Rose Star by involving private sellers, pharmacies, obstetricians, gynaecologist, and paediatricians and female entrepreneurs.

With such efforts, the SMC accounts for a large share of the different contraceptives now in use. It accounts for 54 percent of pills, 73 percent of condoms and half of injectables.

In total, the SMC accounts for 49 percent of the modern contraceptive methods used nationally, according to the Bangladesh Demographic and Health Survey 2022.

Going forward, Khan said it aims to ensure affordable products to contribute to family planning, maternal and child health and nutrition and address the unmet needs of the country.

"You know the country has 3,500 to 4,000 deaths every year due to maternal complications. We want to change the situation," said Khan.

Another problem that the SMC wants to tackle involves underweight newborns.

Khan said 16 out of 100 deliveries are underweight. If a baby is underweight, then there is a likelihood of the child suffering from diabetes and hypertension when he or she becomes an adult, he said.

Early marriage is another challenge. "You think a child is coming with another child. Maternal mortality is very high in Bangladesh," said Khan.

"We don't want any single death. We want to change the situation of underweight babies. So, we are not yet halfway (through the journey)...Public interest is our first priority," he said.

Trade wars sparked by Trump tariffs would be 'catastrophic', WTO chief says

REUTERS, Geneva Davos

The World Trade Organization chief said on Thursday that any tit-for-tat trade wars prompted by US President Donald Trump's tariff threats would have catastrophic consequences for global growth, urging states to refrain from retaliation.

WTO Director-General Ngozi Okonjo-Iweala, a former Nigerian finance minister, starts her second term as head of the global trade watchdog this year at a time when Trump's tariff threats have raised the spectre of trade wars.

"If we have tit-for-tat retaliation, whether it's 25 percent tariff (or) 60 percent and we go to where we were in the 1930s we're going to see double-digit global GDP losses. That's catastrophic. Everyone will pay," Okonjo-Iweala said at the World Economic Forum annual meeting in the Swiss resort of Davos.

She was drawing a parallel with the period between the two World Wars when countries adopted trade restrictions in response to a US tariff act in 1930.

"We've seen this movie, as I said, elsewhere in the 1930s with the Smoot-Hawley Act. It made it worse," she said.

"We're very much saying to our members at the WTO, you have other avenues, even if a tariff is levied, please keep calm," she added, asking states to study their options and use the WTO's system for resolving disputes.

That system has been only partly operational since the end of 2019 when Trump's repeated vetoes of judge appointments incapacitated its top appeals court.

AFP, Davos

US President Donald Trump issued a blunt warning to global elites in a video appearance at the World Economic Forum in Davos on Thursday: Make your products in the United States or pay tariffs.

Beamed on giant screens in the Swiss Alpine village, Trump received a loud round of applause from political and business A-listers who had eagerly awaited his appearance all week.

Speaking from the White House, the recently-inaugurated president touted his plans to cut taxes, deregulate industries and crack down on illegal immigration.

But he also had a tough message. "Come make your product in America and we will give you among the lowest taxes of any nation on earth," Trump said.

"But if you don't make your product in America, which is your prerogative, then very simply you will have to pay a tariff."

In his wide-ranging speech, Trump made a link between the war in Ukraine and oil prices.

Trump said he would ask Saudi Arabia and the Organization of the Petroleum Exporting Countries to bring down crude prices. "If the price came down, the Russia-Ukraine war would end

immediately," he said.

He also had a message for central banks, saying he would "demand that interest rates drop immediately" - in a signal that he might pressure the independent US Federal Reserve on the matter.

The US leader then fielded questions from four top banking and energy executives.

"Well, Mr. president, I'm sure the crown prince of Saudi Arabia will be really glad you gave this speech today," quipped

Stephen Schwarzman, the chief executive of Blackstone investment firm, who had the first question. Trump answered the group one by one with a mix of praise, promises and reprimand.

"If we make a deal, we make a deal. You'll get it," Trump said after the head of French energy giant TotalEnergies Patrick Pouyanné asked if he would agree to guarantee supplies of liquefied natural gas to Europe.

He showered the head of Spanish banking group Banco Santander, Ana Botín, with praise.

"I know very much about your bank, and you've done a fantastic job. Congratulations," he said.

Trump had harsher words for Bank of America chief executive Brian Moynihan, accusing the firm and others of refusing to do business with conservatives.

"You've done a fantastic job," Trump said, before adding: "I hope you're going to open your banks to conservatives because what you're doing is wrong."

Trump is always a top draw in Davos, making waves at two previous in-person appearances during his first term in 2018 and 2020. But showing up this year was tougher as the forum happened to start on the day of his inauguration in Washington on Monday.

Trump tells elites: produce in US or pay tariffs



US President Donald Trump is seen on a giant screen during his address by video conference at the World Economic Forum (WEF) annual meeting in Davos on January 23, 2025. PHOTO: AFP