

Star BUSINESS



Pharma exports more than double in seven years

Driven by new markets, fresh products, rising investment and skilled workforce

KEY NUMBERS

- Exports more than doubled in 7 years
- Reached \$213m in FY25
- Year-on-year export growth was 4%

INNOVATION

- Export growth got a boost from new molecules and locally made medicines
- Modern factories and skilled personnel enable entry into US, EU, and Australian markets

NEW MARKETS

Uzbekistan, Kazakhstan, and Kyrgyzstan

EMERGING MARKETS

CIS, Africa, and Latin America



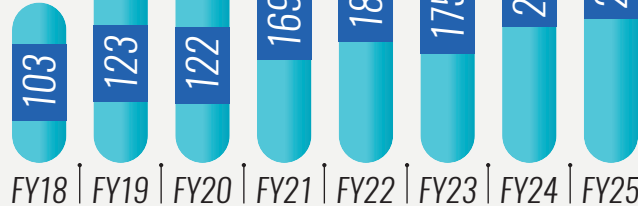
OPTIMISM

Industry leaders are hopeful of faster export growth ahead

PHARMACEUTICAL EXPORTS

In million \$

SOURCE: EPB



JAGARAN CHAKMA

Bangladesh's pharmaceutical exports have more than doubled over the past seven years, reaching \$213 million in the just-concluded fiscal year 2024-2025, thanks to the entry into fresh markets and a wave of new products.

However, on a year-on-year basis, the latest export figure was just 4 percent higher than the \$205 million generated in the preceding fiscal year of 2023-24.

Industry insiders remain confident that the momentum would prevail as Bangladeshi pharmaceutical firms are expanding into new and emerging markets.

Seven years ago, the country used to send medicines to around 140 countries. This has now risen to 166 nations across the globe.

With continued investment, regulatory compliance, and a growing skilled workforce, the local pharmaceutical sector is poised not just to sustain but to accelerate its export growth in the years ahead, they said.

"The key reason for this growth is the introduction of new molecules and medicines, which are now being produced locally," said Zahangir Alam, chief financial officer of Square Pharmaceuticals PLC.

"This trend is likely to accelerate in the

coming years," he said.

Alam informed that the new export destinations included Uzbekistan, Kazakhstan, and Kyrgyzstan, all members of the Commonwealth of Independent States (CIS) in Central Asia.

"These CIS countries are becoming significant markets for Bangladeshi medicines," he added.

He explained that regulatory procedures



in many CIS nations have become more streamlined, enabling Bangladeshi pharmaceutical companies to register and launch their products faster than before.

Demand for affordable yet high-quality generic medicines is rising in these regions, creating new opportunities for Bangladeshi exporters to gain a bigger market share, added

Alam.

"In addition to the CIS markets, we are also exploring potential in parts of Africa and Latin America," he said.

"Our strategy involves not just expanding geographically but also diversifying our product portfolio to include specialised therapeutic segments," he said.

Wasim Haider, manager for international marketing at Beximco Pharmaceuticals Ltd, said they have faced significant hurdles over the past three years due to volatile exchange rates of the US dollar and political uncertainties.

However, Beximco Pharmaceuticals Ltd attained a notable year-on-year export growth of around 25 percent to 30 percent last fiscal year, he said.

He also cited new partnerships in previously untapped markets as another key driver behind the growth.

Furthermore, management and staff have put in an extraordinary effort to maintain financial solvency amid industry headwinds, said Haider. "Everyone, from factory workers to head office staff, contributed, which has helped boost our business."

He expressed optimism that, despite prior setbacks, the company was now on a stronger growth trajectory for the remainder of this calendar year.

READ MORE ON B2

Govt moves to strengthen secondary bond market

Primary dealers must trade Tk 3,000cr a year, as per new guidelines

STAR BUSINESS REPORT

Primary dealers, which are authorised traders of government securities, must each attain annual turnovers of at least Tk 3,000 crore in the secondary market, as per new Finance Division guidelines.

The turnover can also be equal to their yearly stock under the statutory liquidity rate (SLR), if it is higher, or as determined by the Finance Division from time to time.

The SLR is the minimum percentage of deposits that must be held in liquid assets like cash, gold, or government securities.

Still, at least 25 percent of the required turnover must be attained in each quarter.

Published on July 8, the comprehensive set of guidelines is for banks, finance companies, and their subsidiaries to fulfil a wide range of technical, operational, and financial criteria to qualify and

This authority will be based on the assessment of market needs, the applicant's suitability, and the value added to the system, said the guidelines.

Primary dealers will have to focus solely on trading government securities, acting as market makers in both the primary and secondary markets, and operating independently without taking deposits or engaging in other banking activities.

They must keep their trading window open throughout each business day to facilitate price discovery.

The comprehensive set of guidelines is for banks, finance companies, and their subsidiaries to fulfil a wide range of technical, operational and financial criteria

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continue operating as primary dealers.

There are 24 primary dealers in the country, as per Bangladesh Bank (BB).

The move is part of a broader strategy to modernise public debt management, support government financing through a robust and transparent securities market, enhance liquidity, and develop the investor base to strengthen the bond market.

The Finance Division shall develop the regulatory guidelines for establishing standalone primary dealers in consultation with the BB when deemed appropriate.

The criteria for selection, obligations, roles and responsibilities, as well as the performance evaluation process of standalone primary dealers, shall be incorporated into these guidelines when deemed appropriate.

The Finance Division is authorised to appoint primary dealers or reject the applications submitted by a bank, finance company or their subsidiary to act as primary dealers.

They must maintain at least 15 percent of purchased securities from each auction under the held-for-trading category for

three months or until those are sold, whichever occurs earlier, or as otherwise specified by the BB from time to time.

A held-for-trading category refers to a classification of financial assets, typically debt or equity investments, that are acquired to be primarily sold in the near term, usually within a year, to generate profit from short-term price fluctuations.

The primary dealers must acquire and maintain a quarterly average of 30 percent or higher of their total holding of government securities under the held-for-trading portfolio for market making.

The bidding obligation for primary dealers has been divided into two segments.

A total of 60 percent of the bidding obligation shall be calculated based on the total demand and time liabilities of the respective primary dealers.

The remaining 40 percent shall be equally distributed among all primary dealers or as specified by the auction committee from time to time.

READ MORE ON B3

SERVER FAILURE

All customs houses open this weekend to clear backlog

STAFF CORRESPONDENT, Ctg

All customs houses across the country will remain open for import and export activities this weekend – today and tomorrow.

The customs policy wing of the National Board of Revenue (NBR) yesterday issued directives to the customs houses in Chattogram, Dhaka, Benapole, Mongla, Customs House ICD and Pangaon in this regard.

The directive said the release of consignments had been somewhat disrupted recently due to disruptions in the server that handles import-export data and customs records.

"In this situation, in order to keep the country's import-export trade uninterrupted, it is requested to take necessary steps to keep import-export related activities running during the weekly holiday on July 11-12, 2025," reads the circular.

"Online customs clearance procedures are taking longer than usual due to server complications. Authorities hope that the pending files will be cleared within these two days," Mohammad Saidul Islam, deputy commissioner and spokesperson of the Custom House, Chattogram, told The Daily Star yesterday.

According to customs agents and importers, the volume of work has dropped by 50-60 percent since the server issues began.

"Today, there was no work at all till 2:30pm," Golam Rabbani Riggan, former joint secretary of the Chattogram Customs Agents Association, said yesterday.

"This problem has been happening for years, but the problem has worsened in recent months. Earlier, we could manage with intermittent outages; now the entire system collapses," he added.

Importers alleged that despite repeated pleas, the National Board of Revenue (NBR) has failed to provide a sustainable solution, except vague assurances about a new server.

The customs house uses ASYCUDA World, an automated system for customs data processing, which was introduced in 2013, replacing the earlier ASYCUDA++ version. While the system is designed to handle end-to-end online submissions, performance lags and breakdowns have become increasingly frequent.

On average, the Chattogram customs processes around 3,500 to 4,000 bills of entry per day. When the system stalls, even the simplest clearance task takes five times longer than usual, traders complain.

"We've been suffering due to this server problem for a long time. On Wednesday, work remained suspended for more than four hours," Anamul Haque, managing director of Asha Trades, said.

Private credit growth remains slow as investors hold back

STAR BUSINESS REPORT

Private sector credit growth remained sluggish in May, with entrepreneurs holding back on investment amid political uncertainty and rising interest rates, according to Bangladesh Bank (BB) data.

Private credit expanded by 7.17 percent in May, well below the 10.35 percent recorded in the same month last year.

This followed a slight uptick in April, when growth reached 7.57 percent after dipping below 7 percent in March.

"It appears that investors are worried about uncertainties regarding domestic and global issues," said Syed Mahbubur Rahman, managing director and chief executive officer (CEO) of Mutual Trust Bank PLC.

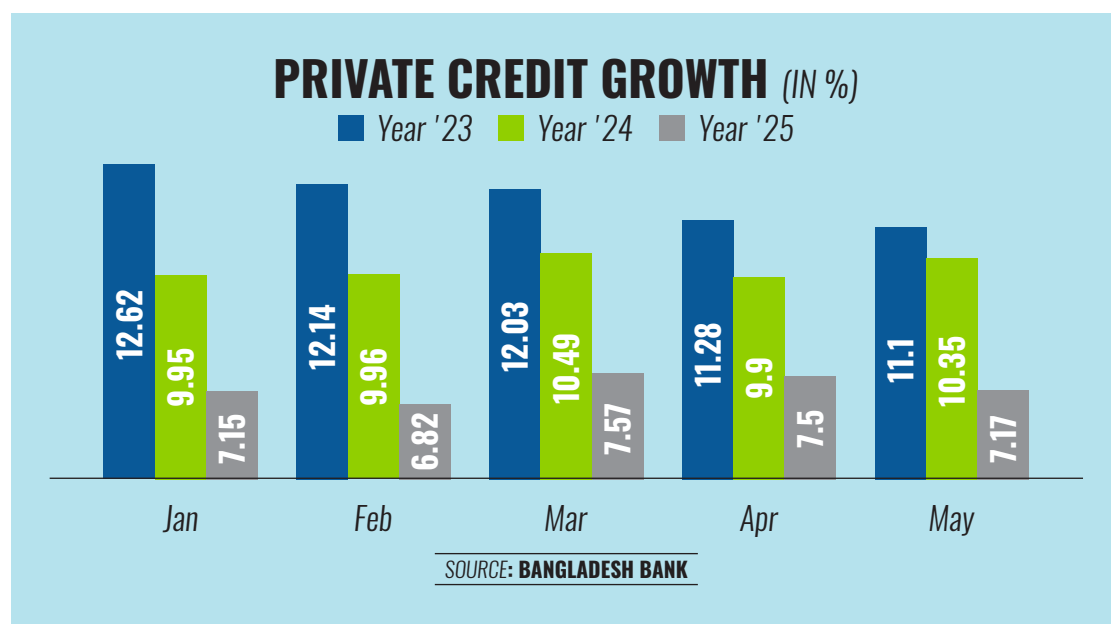
One indicator of this cautious bank borrowing by private sector players is the sharp drop in letters of credit (LCs) for importing capital machinery.

In the July-April period of the fiscal year 2024-25, LC openings for capital machinery fell by 27 percent year-on-year to \$1,419 million.

LC settlements, which show the actual imports, also dropped by 25 percent during the period. Imports of intermediate goods saw a similar decline, according to BB data.

"Of course, the law-and-order situation has improved. But political uncertainty persists," said Rahman.

He said the energy scenario is also not good. Many investors are



SOURCE: BANGLADESH BANK

not getting gas connections.

"Businesses are also concerned about the US tariff. They are looking at August 1, when the new tariff will take effect in the US," said the top banker.

"These are leaving investor sentiment damp and dull," he added.

Rahman also mentioned that slower government development spending is contributing to weak credit demand. "It seems that the overall situation might not improve in the short term," he added.

Ashkur Rahman, principal economist at local think tank Policy Research Institute of Bangladesh (PRI), echoed similar concerns.

He said the subdued appetite for credit is likely to continue until the next election.

"Investors are not willing to invest before the election," said the economist.

Two other factors—higher interest rates due to a tighter monetary policy and banks focusing more on the quality of loan disbursement—are weighing on credit flow, according to him.

The central bank has pursued a contractionary stance for nearly two years in a bid to contain inflation, which dipped below 9 percent in June for the first time in nearly three years.

The policy interest rate, or the repo rate, has been held at 10 percent since October last year,

pushing up lending rates across the board. Accordingly, interest rates have been rising.

In April, the weighted average interest rate on bank deposits rose by six basis points to 6.23 percent compared with the previous month. The rate on loans edged up by one basis point to 12.05 percent, according to central bank data.

PRI economist Rahman said banks are disbursing quality credit now.

"What we see is borrowing by genuine investors and businesses, not wilful defaulters who would pocket part of the fund in the past," he said. "We see a lot of improvement as banks are giving credit based on a prudent framework."

Govt keeps export incentive unchanged

STAR BUSINESS REPORT

The interim government has decided to continue the export incentive and cash assistance for 43 sectors from July to December of this fiscal year to further encourage the country's export trade.

The central bank issued a notice in this regard yesterday, stating that export incentives and cash assistance rates for goods shipped between July 1 and December 31 will range from a minimum of 0.30 percent to a maximum of 10 percent, depending on the product category.

Earlier, the highest rate was 20 percent.

The same facilities were applicable to these 43 sectors throughout the previous fiscal year, from July 1, 2024, to June 30, 2025. The circular states that these incentives will remain unchanged for the first six months of the current fiscal year.

Currently, 43 sectors are eligible for the aid, with the government spending about Tk 9,025 crore annually over the past three years.

The country, for the first time, began cutting the export subsidy in February of last year, and exporters expressed sheer disappointment over the reduction of the cash subsidy.