

Pharmaceutical
Industry of Bangladesh
and the Exposure of
BRAC Bank Limited on
the Sector

Internship Report

on

Pharmaceutical Industry of Bangladesh and the Exposure of BRAC Bank Limited on the Sector

Prepared For

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Letter of Transmittal

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Subject: Submission of Internship Report.

Dear Madam

This is my great pleasure to submit the internship report after completing the Twelve-week Attachment Program in the Corporate Banking Division of BRAC Bank Limited. The report has been prepared to fulfill the internship program as required for the completion of the degree Bachelor of Business Administration. The title of my report is “Pharmaceutical Industry of Bangladesh and the Exposure of BRAC Bank Limited on the Sector”.

The report is completed by putting my own efforts and I have tried my level best to gather the most relevant, updated and necessary information to build a clear perception on the topic assigned. Information is gathered while working in the organization, as well as secondary source is used when needed. I have tried to come up with recommendations based on the findings of the report. Despite having some limitations, I have enjoyed preparing it and learned a lot from the organization I worked in.

In writing this report I have followed the instructions. It would be my immense pleasure if you find this report worthwhile and informative. I will be glad to provide any further explanation if any discrepancy arise.

Sincerely yours

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Acknowledgement

I would like to thank especially my academic supervisor Ms. SyedaShaharbanuShahbazi, Senior Lecturer, BRAC University, for giving me the opportunity to gather knowledge about the present Pharmaceutical Industry in Bangladesh. Her enormous cooperation, instructions and suggestions are the core of this accomplishment; otherwise it may never be performed with such an ease and flexibility.

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Above all I would like to express my gratitude to the Almighty for blessing me to complete the report in a healthy mind.

Executive Summary

I have worked in the Corporate Banking Division of BRAC Bank as a part of the internship program and learned a lot about corporate banking and its operations. The objective of preparing this report is to learn about the pharmaceutical Industry of Bangladesh and the exposure of BRAC Bank on this industry.

BRAC is a development organization and was established in 1972 whereas BRAC Bank started its operations in 2001 as a commercial venture of BRAC. Though the main focus of the bank is to serve the “missing middle” meaning the SME sector, the performance of Corporate Banking Division is satisfactory and the exposure on different industries is diverse. One of the main focuses of the division is to create a larger client base in the pharmaceutical industry and to maintain relationship with the existing.

Pharmaceutical Industry is one of the fastest growing industries in the country with an annual average growth rate of 17.2% over the last five years and 13.1% over the last decade. It is technologically one of the most developed and the third largest industry in terms of contribution to government’s revenue. This industry contributes about 1% of the total GDP. In 2012, Bangladesh was in the 15th position among the 18 markets in the Asia-Pacific region. There are about 250 licensed pharmaceutical manufacturers in the country. However, currently a little over 100 companies are in operation and the top 20 companies hold 85% of the total market share. Bangladesh manufactures about 450 generic drugs for 5,300 registered brands that have 8,300 different forms of dosages and strengths. Two/three decades back imports used to dominate the market, now domestic manufacturers account for 97% of the drug sales in the local market while the remaining 3% are imported. The imported drugs include essential life saving drugs and other high quality drugs. Drug Ordinance Act 1982 and The TRIPS agreement have a huge impact on the overall pharmaceutical industry of Bangladesh. One has restricted the import of products which are already locally manufactured and the latter has given Bangladesh the right to reverse-engineer of any drugs regardless of their patent status. The exports have increased by 16.1% in the year 2011 from the previous year. The government of Bangladesh has provided sufficient regulatory assistance in the overall development of the industry. The industry players need to be aware of their growth prospects as well and should take necessary steps accordingly.

Table of Contents

1. Organization: BRAC Bank Limited.....	1
1.1 Divisions.....	2
1.2 Products and Services.....	2
1.3 Financial Performance.....	3
1.4 Subsidiaries.....	4
1.5 SME Banking Division.....	5
1.6 Corporate Banking Division.....	5
1.6.1 Organogram.....	6
1.6.2 Business Segments.....	6
1.6.3 Product Offerings.....	7
2. Job.....	8
2.1 Nature of the Job.....	8
2.2 Responsibilities.....	8
2.3 Training.....	8
2.4 Client Visit.....	9
2.5 Observations and Recommendations.....	9
3. Project.....	10
3.1 Introduction.....	10
3.2 Description.....	11
3.2.1 Scope.....	11
3.2.2 Objective.....	11
3.2.3 Methodology.....	11
3.2.4 Limitations.....	11
3.3 Pharmaceutical Industry.....	12
3.3.1 History.....	12
3.3.2 Market Size and Growth.....	13
3.3.3 Projected Future Growth.....	14
3.3.4 Major Players.....	14
3.3.5 API.....	17
3.3.6 TRIPS.....	17
3.3.7 Exports.....	19
3.3.8 Potential Roadblocks for Exports.....	20
3.3.9 Prospects.....	21
3.3.10 Future Trends in the Industry.....	22
3.3.11 Budget Directives and Regulatory Assistance.....	23
3.3.12 Recommendations.....	24
3.4 The Exposure of BRAC Bank.....	25
3.4.1 Sector/Industry-wise Exposure.....	25
3.4.2 Company wise Exposure.....	28
3.4.3 Facilities provided by the Bank.....	29
3.4.4 Major Contribution.....	31
3.4.5 SWOT Analysis.....	32
3.4.6 Visions for the Future.....	32
3.4.7 Recommendations.....	33
3.5 Conclusion.....	34
Appendix.....	35
Reference.....	42