

Star BUSINESS

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Incepta becomes GP's corporate client

Incepta Pharmaceuticals Ltd has signed an agreement with GrameenPhone Limited under its corporate sales package initiative, says a press release.

Abdul Muktadir, managing director of Incepta Pharmaceuticals Ltd, and Mehboob Chowdhury, director of Sales and Marketing Division of GrameenPhone, signed the agreement on behalf of their respective organisations in the recently.

Intekhab Mahmud, AGM, Marketing, and Hasan Md Zahid, head of Corporate Sales, were present at the signing ceremony.

Other senior officials of both organisations were also present on the occasion.

Under the agreement, Incepta Pharmaceuticals has been provided with GP mobile phone connections. It is now using these mobiles to maintain its distribution network throughout the country. It will be provided with data services to have online facilities within their network.

Subscription to the GP Corporate package will also significantly reduce Incepta Pharmaceutical's inter-district communication cost and many of its services will become more efficient.

Mergers in Japan hit record high

AFP, Tokyo

The number of mergers and acquisitions in Japan jumped 25.2 per cent last year to 2,244, setting a new high for the fifth consecutive year, a research institute said Friday.

"M and As in Japan increased due to the aggressive business portfolio restructuring that Japanese companies undertook," said Financial Research Centre, a research unit of Japan's largest broker Nomura Securities.

Mergers and acquisitions between Japanese companies surged 30.4 per cent to 1,881 deals, the research centre said.

There were 252 acquisitions of foreign companies by Japanese firms, a rise of 6.3 per cent, but purchases by foreign firms of Japanese companies fell 2.6 per cent to 111.

"While some sectors, such as IT-telecommunications saw a decrease in deals, other sectors such as food and construction showed increases," the research centre said.

"The increase in M and A deals involving Japanese companies seemed to be slowing down from the second half of 2000, but in 2002 deals regained their momentum."

"More sectors have become involved in deals, both in strengthening businesses and in restructuring, and a wide range of schemes are being used."

The centre forecast the number of mergers in Japan would increase again this year as the government plans to revise regulations on mergers as part of an effort to reform the troubled economy.

"Particularly in 2003, new policies, such as the introduction of the Industrial Revitalisation Law are expected to create new opportunities for M and A deals, which should help maintain the current trend," it said.

Aventis sales confce held

An annual sales conference of Aventis (Aventis Limited, Hoechst Marion Roussel Limited and Fisons Bangladesh Limited) was held at a city hotel on Thursday, says a press release.

AKM Shamsuddin, managing director of Aventis, inaugurated the conference.

Sales and marketing executives of the company from all over Bangladesh attended the conference.

In his speech, Shamsuddin appreciated the medical-marketing and sales executives for their team efforts in popularising Clexane as an initial therapy and convenient treatment option in the management of unstable Angina and MI, Taxotere as a first line therapy in cancer management, Amaryl as the third generation sulfonylurea in diabetic care and Actonel for the prevention of osteoporosis.

M Nasiruddin Ahmed, director of Primary Care Business, and Afzar Uddin Ahmed, director of Chronic Care Business, also spoke.

Kazi Rakibuddin Ahmed, head of Human Resources, Md Mortoza Ali Khan, head of Supply Chain, M Shafiqul Alam, director of Finance & IT, and Abu Nayeem Saifur Rahman, director of Industrial Operations, were also present in the conference.

Tea soars on local demand

NURUL ALAM, Chittagong

Tea prices in local market have marked a steep rise, thanks to increase in internal demand.

Tea growers are making maximum profit in the current season as prices picked up beyond expectation, said Feroz Ahmed, chairman of Tea Traders Association of Bangladesh (TTAB).

"But the export flow of tea is affected due to the unusual rise in the prices in the auction markets here. The price of Bangladeshi tea now is so high that it does not match any other international market price," TTAB chairman said, adding that as a result export inquiry for

Bangladeshi tea has declined.

The internal buyers for home market are taking tea from the auctions at higher prices, keeping the foreign buyers at bay, Feroz said.

"Besides, less quantity of tea is put on auction as it is exported or supplied to local market directly from the gardens, contributing to the price spiral," he added.

Former chairman of Bangladesh Tea Growers Association AQI Chowdhury said it is really a good sign that prices pick up these days.

Chowdhury also said growers should invest more money for more development of gardens to increase production as internal tea consumption

is growing at the rate of 20 per cent a year.

AQI Chowdhury, who is also general manager of British-owned company James Finlay Ltd which has 20 tea gardens, informed his company is earning much better this time despite production fall.

Brokers and traders said internal consumption of tea has suddenly increased centering the upcoming union parishad elections and winter season.

In the last auction, which is 36th of the season, held on Tuesday, overall average price rose to Tk 77 a kg, with only one per cent withdrawal rate, out of 25,324 packages offered for sale.

In the previous 35th auction, the average price was recorded at Tk 72 a kg, with withdrawal rate of over one per cent out of 27,473 packages.

Only some three months ago, the average price was around Tk 60 per kg with an overall withdrawal rate of over 20 per cent, market sources said.

According to official reports, in the last 11 months from January to November of the year 2002, the country in its 156 gardens produced 48 million kg of tea, 5 million kg down from the corresponding period of the previous year.



PHOTO: BANGLADESH TEA ASSOCIATION
M Wahidul Haque, chairman of Bangladesh Tea Association, exchanges documents with M A Motin, president of Bangladesh Tea Estate Staff Association, after signing a bilateral agreement on behalf of their two sides in the city on Tuesday. Under the deal, salaries of the Staff Association members will be increased by 6.75 per cent for the first year and 0.25 per cent for the next year. Other financial benefits will also be increased accordingly.



PHOTO: GP
Abdul Muktadir, managing director of Incepta Pharmaceuticals Ltd, and Mehboob Chowdhury, director of Sales and Marketing Division of GrameenPhone, sign an agreement on behalf of their respective sides in the city recently. Under the deal, Incepta Pharmaceutical has become GrameenPhone's corporate client.

India doubles mutual funds ceiling in overseas firms

AFP, New Delhi

Indian Finance Minister Jaswant Singh Friday doubled the amount which domestic mutual funds could invest in overseas companies.

"The overall cap of such fund investments in overseas companies is one billion dollars," Singh told an audience of non-resident Indians in New Delhi.

He said the funds would be permitted to invest in companies which were listed on stock exchanges abroad and which hold a stake of at least 10 per cent stake in any listed Indian company.

Singh said the government had also decided to encourage overseas investments by Indian individuals.

"Indians can invest in overseas companies which are listed on stock exchanges abroad and which have 10 per cent shareholding in a company listed on Indian stock exchanges," he said at the three-day Pravasi Bharatiya Divas (Overseas Indian Day).

Indian companies will also be permitted to acquire properties abroad for offices and housing staff, he said.

"Indian companies can also retain their proceeds generated from American depository receipts and global depository receipts."

The reforms were aimed at boosting economic growth as the rupee rises against the dollar and foreign exchange reserves increase.

Singh also said the present limits on trade-related loans and advances by export earners and foreign currency account holders would be discontinued.

Mideast set to boost oil output

AFP, Cairo

Middle Eastern oil countries came out this week in favor of an oil output hike when OPEC meets Sunday, to make up for Venezuela's lost production and to appease a tense market that also fears a US-led war on Iraq.

Top exporter Saudi Arabia said it favored an increase to bring down prices that had risen recently over 30 dollars a barrel because of worries that the Venezuelan strike might not end before war is launched against Iraq.

The two crises could deprive world oil markets of a combined five million barrels per day (bpd) of crude.

"The price has risen, and there should consequently be an increase in production," Saudi Foreign Minister Prince Saud al-Faisal said Tuesday.

Experts expect OPEC to boost production by between one and two million bpd in order to attenuate the impact of the 40-day old strike in Venezuela, which has removed 3 million bpd from the market.

US State Department Spokesman Richard Boucher said Tuesday Washington had told OPEC members an increase would be "positive."

Venezuela accounts for around 13 per cent of US oil imports. The strike has caused US oil stocks to fall at a time when Washington needs them to increase as it prepares for a possible war on Iraq.

Kuwait's acting oil minister, Sheikh Ahmed Fahad al-Ahmed, said Wednesday an OPEC output increase of one million bpd would be "reasonable and sufficient to stabilise the markets."

The additional oil to be pumped is crucial, as producing nations that are not members of the cartel are already running at full capacity.

India mulls buffer oil reserves, says PM

AFP, New Delhi

Prime Minister Atal Behari Vajpayee said Friday India was considering creating strategic oil reserves to counter potential disturbances in supplies of crude oil, particularly from the Middle East.

"Crude oil prices may shoot up if tensions in West Asia (the Middle East) rise, leading to a prolonged shortage of supplies in the world oil market," Vajpayee told an international petroleum conference in the Indian capital.

"This may adversely affect our national economy. Recent developments have already affected oil markets and sent prices upwards."

"Therefore oil security has come to occupy a key position in the present policy matrix of our government. We are examining the feasibility of establishing strategic storage of crude oil and petroleum products in our country to create a buffer for meeting unforeseen disturbances and strengthening India's oil security."

Vajpayee said the "security of supplies has become one of the most important challenges that needs to be carefully addressed."

His remarks come against the backdrop of the possibility of a US-

led invasion of Iraq, which has heightened concerns about a disruption in oil supplies as well as a rise in prices of fuel in India.

According to oil ministry officials, India keeps about 10-12 days of crude stocks.

India currently imports 70 per cent of its requirement of oil and petroleum products -- most of it from the Middle East and particularly Iraq.

India's state-run oil firms last week were forced to increase the price of petrol and diesel by one rupee (two US cents) a litre following a rise in global oil prices.

The projected requirement in India for the year to March 2003 is 108 million tonnes of crude oil compared with production of 33 million tonnes. Consumption of natural gas is expected to be 55 million tonnes compared with production of 24 million tonnes.

Vajpayee urged the domestic oil sector to increase production, without which he said "the nation would be subject to volatility in crude oil supplies and prices and oil security would be difficult to achieve."

He also urged private domestic and foreign players to cooperate with India in the hydrocarbon technology sector.

Vajpayee said it was important that the existing "energy resource gap between the developing and developed countries" be bridged.

Indian Oil Minister Ram Naik, speaking at the same conference said he hoped that a meeting of the Organisation of Petroleum Exporting Countries (OPEC) in Vienna on Sunday would bring good news for international consumers.

On Wednesday Naik said he would petition OPEC for an output hike as oil prices have leapt to 32 dollars a barrel this month from 19 dollars last February.

OPEC president Abdulla Bin Hamed Al Attiyah of Qatar, in New Delhi for the petroleum meet, said Thursday that the organisation's meeting in Vienna this weekend would consider India's request for concessional pricing of crude oil for developing countries.

OPEC oil ministers head to Vienna this weekend to discuss proposals spearheaded by Saudi Arabia for the cartel to raise output to help calm a market roiled by a strike in Venezuela and a possible war in Iraq.

BoJ to take bolder steps to prop up economy

AFP, Tokyo

The Bank of Japan (BoJ) could take more radical action to boost the ailing economy such as setting an inflation target, Financial Services and Economy Minister Heizo Takenaka said Friday.

Central bank governor Masaru Hayami, who is opposed to such moves, is due to resign in March and many investors are hoping the government will replace him with someone more willing to take bold measures to ease monetary policy.

Takenaka said he expressed his

view of the need for stronger monetary easing at a meeting on Thursday with head of the ruling Liberal Democratic Party's tax panel, Hideyuki Aizawa, and party policy chief, Tarō Aso.

"I said at the meeting that setting an inflation target would be an effective way to increase money supply, as would ETF purchases," he said, referring to exchange-traded funds that follow stock indices.

"However, the government should not interfere with the BoJ's decision-making process," he added.

Asked about the US economy following the announcement of a 10-year, 674-billion-dollar economic plan by President George W. Bush, Takenaka said: "The US government is taking a very drastic policy. After that, it is unthinkable the US economy will decline in the short-term."

However, he noted that he has to consider cautiously whether or not the US stimulus package would lead to an increase in the fiscal deficit there.

Bid to improve corporate governance

US panel for separation of chairman, CEO posts

AFP, New York

A US business panel set up to help improve corporate governance and restore trust in companies said Thursday that firms should separate the functions of chairman and chief executive.

The Conference Board's blue-ribbon Commission on Public Trust and Private Enterprise made the recommendation as part of a series of reforms to improve corporate management, auditing and accounting practices in the wake of the Enron scandal.

The panel was co-chaired by John Snow, who has been chairman and CEO of rail giant CSX Corporation and was tapped last month by President George W. Bush as his nominee for treasury secretary.

The report said several structures could be considered to maintain an independent chairman of a company's board of directors, whose role may be different than those of a chief executive officer.

"The Commission, noting that no single board structure has yet been demonstrated to be superior in

providing the oversight that leads to corporate success, recommends three alternative board structures, all of them a break from the tradition that most American corporations follow," the panel said in a statement.

One possibility is to simply have two separate individuals serving as chief executive, who manages the firm, and chairman, who oversees management.

The panel said that if the chairman is not "independent," a "lead independent director" should be appointed.

"It is essential that non-CEO chairmen not have any relationships with the CEO or management that compromises their ability to act independently," the report said.

Another alternative where boards do not choose to separate the chairman and CEO positions, or where they are in transition, would be to name a "presiding director" from the board.

"Regardless of which alternative is chosen, the commission recommends that the independent chairman, lead independent director or the presiding director should have

ultimate approval over the information flow that goes to the board, board meeting agendas, and board meeting schedules," the report said.

"The commission encourages frequent, regular meetings of the non-management directors."

If companies choose not to adopt any of these three approaches, "they should explain their reasons and how the board structure they use achieves strong, independent board leadership," the report said.

In addition to these changes, the panel also recommended that boards be composed of a "substantial majority" of independent directors rather than from management.

The group also recommended that a committee of the board oversee ethics issues, including how to deal with "whistleblowers."

In addition, the panel called for a "strong internal audit function" and outside auditors who "confine their activities to auditing" -- a reaction to Enron's use of Arthur Andersen as both a consultant and audit firm.



PHOTO: AVENTIS
A K M Shamsuddin, managing director of Aventis Limited, speaks at the annual sales conference of the company held at a city hotel on Thursday.