



# 15TH ANNIVERSARY OF



# DAEWOO DHAKA LIAISON OFFICE

DAEWOO CORPORATION

The Daily Star 11

Special Supplement

Saturday, August 1, 1992

## RETROSPECTION OF DAEWOO'S ACTIVITIES IN BANGLADESH

Following are some of Daewoo Corporation's first introduction of Korean Supply which has served to the Re-Construction and Development of the War Ravaged Bangladesh Economy with the best quality and terms:

ITEM	DATE	BIZ EVENTS
ROLLING STOCK:	JUL 9 77	SIGNED CONTRACT WITH BANGLADESH RAILWAY FOR SUPPLY OF 59 PASSENGER COACHES.
	JUL 26 78	SIGNED CONTRACT FOR SUPPLY OF 42 PASSENGER COACHES TO BANGLADESH RAILWAY.
	JUL 11 79	SIGNED CONTRACT FOR SUPPLY OF 133 FREIGHT CAR TO BANGLADESH RAILWAY.
TEXTILE	JUL 4 78	SIGNED AGREEMENT WITH DESH GARMENT FOR TECHNICAL & MARKETING COLLABORATION. *130 BANGLADESHI NATIONALS GOT TRAINED IN KOREA IN RELATION TO EXPORT-ORIENTED GARMENT BUSINESS. *15 NOS OF DAEWOO TECHNICIANS WERE DESPATCHED TO BANGLADESH FOR ON-JOB TRAINING.
	OCT 8 91	*HOSTED THE FIRST FABRIC SHOW IN BANGLADESH OF INTERNATIONAL STANDARD.
SHIP/VESSELS:		6 (SIX) NOS OF OCEAN GOING NEW FISHING TRAWLERS WERE SUPPLIED IN PRIVATE SECTOR UNDER BSB FINANCE WITHIN 1979-1982.
CHEMICALS : CEMENT/CLINKER:		SUPPLIED APPROX 500,000 M/TON OF CEMENT/CLINKER TO BIC/BMEDC AND TCB DURING 1979-1986.
MANPOWER:	DEC 17 80	SIGNED CONTRACT FOR BANGLADESHI LABOURERS TO BE EMPLOYED IN LIBYA AS THEIR CONSTRUCTION SITE WORKER.
PLANT/MACHINERIES:	OCT 20 81	SIGNED AGREEMENT FOR SUPPLY OF CIGARETTE PAPER PLANT TO HOSSAIN PAPER AND PULP MILL, DHAKA ON TURNKEY BASIS AGAINST BSB FINANCE.
	JUN 1 83	SIGNED AGREEMENT WITH JAMUNA TEXTILE MILLS LIMITED ON SEMI TURNKEY BASIS.
	DEC 10 82	SIGNED AGREEMENT WITH SAVAR TEXTILE MILLS LIMITED FOR EXPORT ORIENTED SOCKS KNITTING MACHINE ON TURNKEY BASIS.
	MAR 9 89	SIGNED AGREEMENT WITH BANGLADESH RAILWAY FOR CENTRAL DIESEL LOCOMOTIVE BACKSHOP PROJECT IN PARBATIPUR ON TURNKEY BASIS. HONOURABLE PRIME MINISTER BEGUM KHALEDA ZIA KINDLY IN AUGURED THE GRAND OPENING OF THE BACKSHOP ON 4TH MAY, 1992.

**DAEWOO CORPORATION**

**Daewoo Corporation is parent of one of Korea's largest business and industrial groups. With over 70 international branch offices, the corporation deals in over 3,000 products by group companies and non-affiliates in trade with more than 120 nations. The corporation is also engaged in natural resources development and construction activities both at home and abroad.**

## Activities as a General Trading Company

**Overview**

FOR 1991, Daewoo scored an impressive growth of 27.5% in exports to over \$6.06 billion. With greater localization of many parts and materials, imports for the year were up 34% to nearly \$1.64 billion.

**Exports by Region:**

**Continued Diversification**

As a reflection of Daewoo's efforts for greater market diversification, exports to Daewoo's three major export regions — North America, Europe and the CIS, and Asia dropped from 83% of total exports in 1990 to 73% of total exports in 1991.

Although exports to North America increased 18.4% to \$1.7 billion, they declined slightly to 28% of the total. Exports to Europe and the former USSR fell by 13.2% to \$1.19 billion and declined from 30.8% to 20% of all exports. Exports to Asia increased by 38.4% to slightly over \$1.5 billion, resulting in a 35% share of total exports, up 2.2%.

The most significant percentage increase was to Africa where exports grew 600% to \$619 million, accounting for 10% of all exports, up from 2% in 1990. Exports to Central and South America increased 38.1% to \$408 million, accounting for 7% of all exports, up from 5.1%; those to the Middle East totaled \$563 million, an increase of 38.9%, and they accounted for 9% of the year's exports, up slightly from 8.6%. Exports to Oceania were down 4.2% and totaled \$59.8 million, or 1% of total exports, down from 1.3% of the 1990 totals.

**Exports by Product Categories**

IN the broad export product category profile, exports of electric and electronic products grew by 28.8% and accounted for 27.4% of all exports at \$1.66 billion. Sales of ships grew by 53.2% to \$1.19 billion and accounted for 20% of all exports. Exports of steel and metal products grew 13.6% to \$782.5 million and accounted for about 13% of all exports, as did exports of textiles which grew a slight 1.1% to \$761.8 million.

Exports of vehicles, including automobiles and rolling stocks, grew 22.7% to \$628.6 million, accounting for over 10% of all exports. Exports of machinery recorded the largest growth, 108%, to \$387 million. Chemical exports totaled \$306 million, an increase of 36%, and accounted for 5.1% of exports. Exports of general merchandise at \$195.7 million, agrofisery products at \$74.3 million and non-ferrous metals at \$67.2 million combined for a total of \$337 million, accounting for the remaining 5.5% of exports.

Most significant is the fact that exports of mid-and-high-tech products reached a record high of 82% of all Daewoo exports for the year.

**Highlights for the Year**

AS trade with China expanded, Daewoo established a new office in Qingdao and promoted a cement plant project and granite development in trade promotion with the Shandongsheng region of China. A bag and tent production project was completed in Dalian. At the same time, Daewoo signed a contract in Taiwan for a cement silo project. Contracts were also signed for a TDX-10 project in Pakistan and a TDX project in Iran, and for a hotel and an electronics complex, both in Hanoi. Investment activities throughout South, Central and Southeast Asia are rapidly expanding.

Trade programmes with the new republics in the CIS are also being promoted, and a new branch office was established in Khabarovsk. Projects for a truck plant in Kamaz and for daily necessity production facilities in other new republics are being discussed. Daewoo also promoted introduction of core technology for such products as aerospace brake disk manufacturing and for joint development of remote control helicopters for agricultural application.

A new auto sales company in Algeria and an automotive workshop in Nigeria should boost automobile sales to those regions and improved competitiveness through expanded after-sales service networks. Intensive technical efforts in design and new materials have salvaged the textile industry from severe competition from developing nations. At the same time, negotiations are under way for establishing a blouse plant in Indonesia and a shirt production facility in Vietnam as Daewoo expands investments into offshore manufacturing facilities. The company established a plywood production facility in Myanmar and is promoting development of a fish processing plant in Thailand for Russian pollock.

**Imports**

MAJOR imports for the year, which grew 34% to almost \$1.64 billion, included

\$359 million worth of steel and metal products, \$161 million worth of chemical and petrochemical products, and \$87 million worth of materials.

**Plans for 1992**

EFFORTS during 1992 will be concentrated on improved profitability through new product development, new market penetration and strengthened organizational reform. In efforts for greater globalization, more independence will be given to foreign operations. In consideration of these programmes, targets for 1992 have been set at \$6.52 billion in exports, a 7.6% increase, and \$2.49 billion in imports, a considerable 52% increase.

**Resource Development**

DURING the year, Daewoo signed a contract with the National Oil Corporation of Libya to participate in an oil exploration and development project for an estimated 450 million barrels of oil. According to the terms of the agreement, Daewoo will be entitled to 12.5% of the oil developed, and this will give greater stability to the long-term supply of oil to Korea. The company also signed an agreement for the partial production of oil in Timor, a project between Australia and Indonesia, and for a 12.5% return on a Vietnamese oil development project as part of a consortium.

Daewoo continues with exploration and confirmation surveys in the Baker Lake Uranium Project in Canada, and the company plans to increase investments into a coal development project in Australia, also as part of a consortium with other Korean conglomerates.

**Finance**

DURING 1991, Daewoo continued to strengthen and diversify its financial activities despite uncertainty in both domestic and foreign markets. With greater local liberalization and a restructuring of the financial sector in preparation for international liberalization in 1992, the company issued 40 billion Won worth of convertible private and public bonds.

Since January 1, 1991, Daewoo has insured most of its export deals with Export Bill Insurance supported by the Export-Import Bank of Korea. Thus, the company has been able to protect itself from losses arising from political or commercial risk after shipment. Actively utilizing new products and diversifying trading partners, Daewoo also expanded its role in international finance by issuing \$150 million worth of bonds with equity warrant on the Euromarket. In line with this, the company continued to develop new methods of securing funds while revamping existing systems in order to reduce costs in such transactions.

In dealing with internationalization of the Korean capital market, liberalization of interest rates and trends for greater internationalization of financial activities, Daewoo, during the coming year, will be striving to develop diverse financing methods and to strengthen its predictive capabilities concerning interest rates and foreign exchange rates.



## The Daewoo Spirit and You

**"Creativity, Challenge and Sacrifice"**

We sincerely hope that you, too, will join us in helping to build a better international community. Our business philosophy is based upon reciprocity in supply, technology, trade and understanding. And with this as the foundation for our future growth, we earnestly look forward to working with you.

Kim Woo-Choong  
Founder and Chairman

## Activities as a General Contractor

**Results for the Year**

TOTAL construction orders for the year, both domestic and international, grew by 50.3% to 2,183 billion Won (about \$3 billion), including \$1,304 million in foreign orders (up 201.9%), total sales for the year were to 1,104 billion Won (about \$1.5 billion) including \$451 million in foreign sales.

With a gradually recovery, as indicated by the huge increase in orders, targets for 1992 have been set at 2,107 billion Won (\$2,870 million) in new orders including \$600 million in foreign orders; and 1,435 billion Won (\$1,955 million) in sales including \$394 million foreign sales.

**Overview**

DAEWOO continued to strengthen its capabilities in construction management through manpower training programmes, stream-lined organization reform and development of new strategies in construction. Top priority was given to technical development, and the company began a pilot project of its new Daewoo System (DWS) construction

method on an apartment complex in the Korean city of Changwon. The company also sponsored Korea's first-ever Construction Technology Fair, and construction began on the new Daewoo Construction Research Institute complex, Korea's finest.

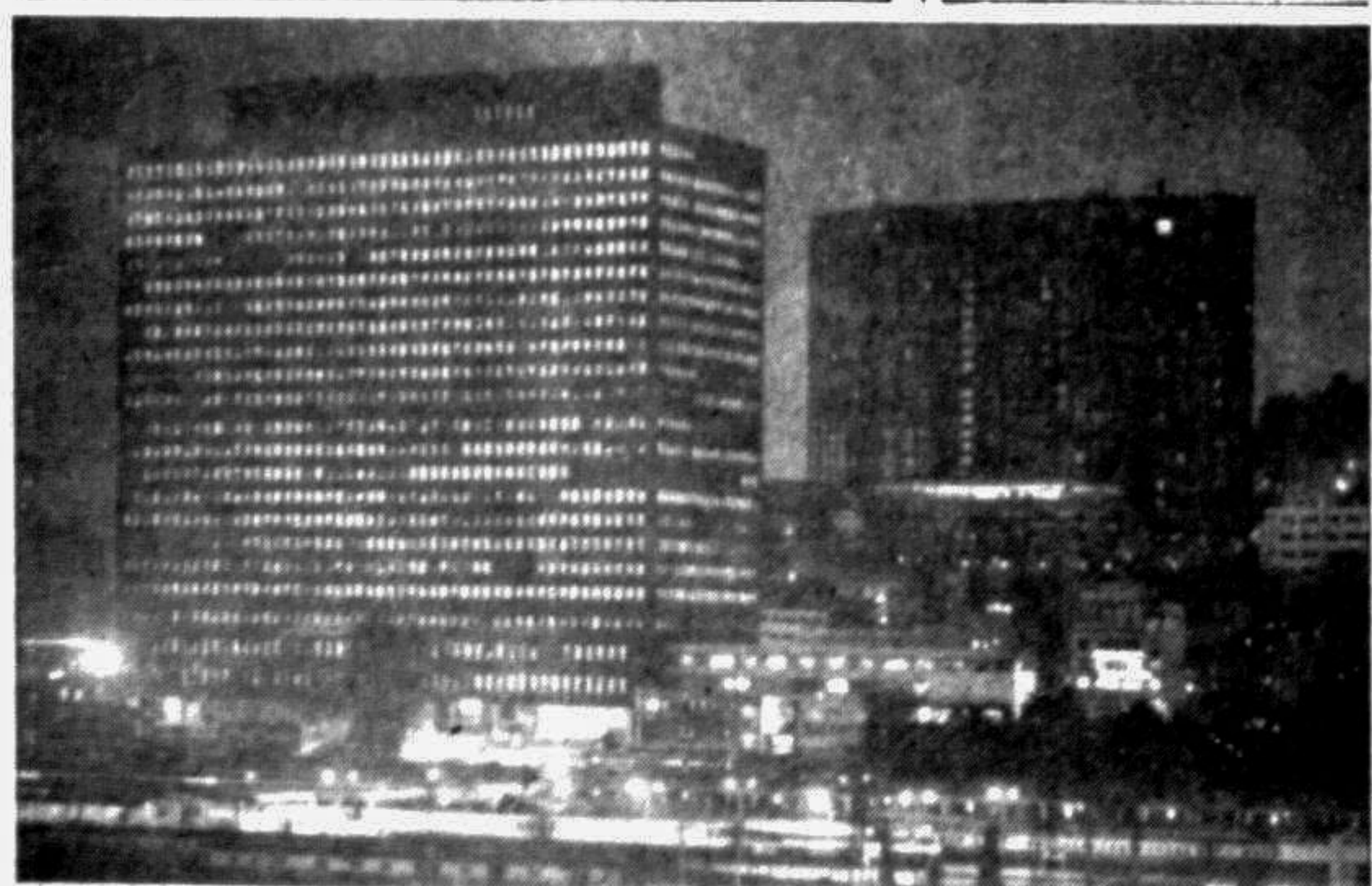
During the year, the company also received four more ASME technical certificates. A total of 250 employees were sent abroad for observation and training to several nations, while OJT, foreign language and computer training programmes were provided for all employees.

**International Construction**

TOTAL foreign orders during 1991 reached \$1,304 million, a 201.9% increase over 1990 orders, and sales totaled nearly \$451 million. Great impetus was given to a recovery in Korea's international construction efforts with Daewoo's award of the \$957 million Lahore-Islamabad Motorway Project in Pakistan at the end of the year. Daewoo won the award on a turnkey basis which gave even greater credence to the company's all-

inclusive construction capabilities. Based on its efficient utilization of ILM and NATM projects on previous Iranian projects, the company was awarded another \$151.3 million railbed project there. Currently, the company is constructing a power plant and performing reconstruction on oil refinery facilities in the same region. Daewoo continues to promote globalization and localization efforts. The company established Daewoo Fukuoka Corporation in Japan, a wholly-owned local subsidiary, in September, strengthened sales activities of its UDEC subsidiary in Thailand, and promoted establishment of local subsidiaries in the Middle East.

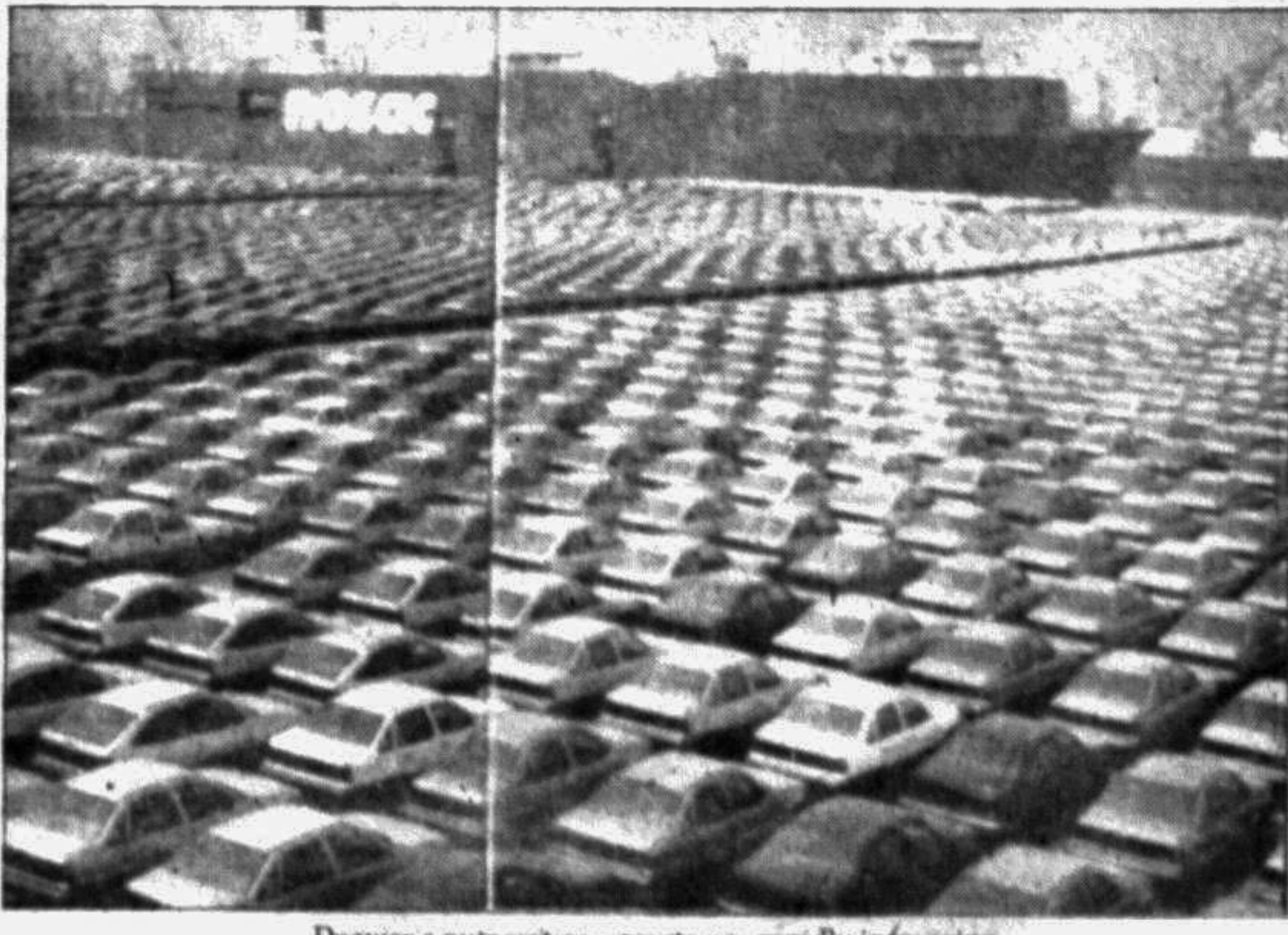
Daewoo currently has on-going projects in 15 nations, and projects completed during the year included the Ohsu Sports Complex in Japan, the new Government Center in Benghazi and the Ajelav-Tobruk Road in Libya, and the Kost Road Project in the Sudan. The new Dubai sewage treatment plant was also completed and turned over to its owners.



The Daewoo Center in downtown Seoul! Daewoo has built an inner managerial world as strongly based and as sturdy as the edifice itself. We've taken a major turn as a general trader, have reaffirmed our position as a leading contractor, and have successfully implemented group-wide programs for continued growth and progress.

## DAEWOO GROUP DIVISIONS AND SUBSIDIARIES

- Trading & Construction**
  - Daewoo Corporation
  - Keangnam Enterprises Ltd
  - Kyungnam Metal Co Ltd
- Machinery**
  - Daewoo Heavy Industries Ltd
  - Daewoo Precision Industries Ltd (Machinery)
- Automotive Parts & Components**
  - Daewoo Precision Industries Ltd (Parts & Components)
  - Daewoo Automotive Components Ltd
  - Koram Plastics Co Ltd
- Daewoo-Sikorsky Aerospace Ltd**
- Electric & Electronics**
  - Daewoo Electronics Co Ltd
  - Orion Electronics Co Ltd
  - Daewoo Electronic Components Co Ltd
  - Daewoo Electric Motor Industries Ltd
  - Orion Electric Components Co Ltd
- Shipbuilding**
  - Daewoo Shipbuilding & Heavy Machinery Ltd
- Finance**
  - Daewoo Securities Co Ltd
- Daewoo Research Institute**
- Daewoo Capital Management Co Ltd**
- Telecommunications**
  - Daewoo Telecom Ltd
  - Daewoo Applan Technology Ltd
  - Daewoo Information Systems Co Ltd
  - Automotive Manufacturing
  - Daewoo Motor Co Ltd
- Hotels**
  - Dongwoo Development Co Ltd (Seoul Hilton Hotel, Kyongju Hilton Hotel)
  - (As of December 1991)



Daewoo's automotive exports are rapidly increasing