

Saifur woos US investors

NEW YORK, Dec 14: Bangladesh Finance Minister M Saifur Rahman called upon the American investors to take advantage of the congenial investment climate that exists in Bangladesh because of the massive economic reforms conducted by the present BNP government, reports BSS.

Speaking at a breakfast meeting organised in his honour by the Asia Society, Rahman said, "Bangladesh is in a better position in the sub-continent now to attract foreign investments in all productive sectors."

The topic of speech by the Finance Minister was "Bangladesh current economic scenario and new horizon for investment." The meeting presided over by Marshall M Bouton, Executive Vice President of the Asia Society, was attended by a large number of business persons, business managers, bankers and research analysts.

The permanent represen-

tative to the United Nations, Ambassador Reaz Rahman, the Consul General of Bangladesh in New York, Ambassador M A K Talukder, high officials from the Embassy of Bangladesh in Washington DC, the Consul General of India in New York and many other distinguished guests were also present at the meeting.

The Finance Minister said, "Bangladesh, which started with a perception of a 'basket case' made enormous progress since the present government came to power three and a half years ago. In contrast to the perception of 1972, the country achieved near self-sufficiency in food, the country's export was increasing at the rate of 18 per cent at the moment and achieved a GDP growth rate of five per cent with rate of inflation below three per cent."

Rahman said "all the legal measures have been taken to make foreign investments absolutely secure. Bangladesh

could not flourish in a regimented society.

There was a misunderstanding about Bangladesh in the outside world that it was a country frequently troubled by floods, cyclones and natural calamities, but it is also a country with enormous resources and prospects, he said. "We initiated a communication process to break the barriers of misunderstanding and lack of knowledge about Bangladesh and project it in its proper perspective," he added.

Finance Minister Saifur Rahman was also chief guest at a reception hosted jointly by M Ahasanul Haque and Farooque Bakht Chaudhury, Chairman and Director respectively of the board of the Sonali Exchange Co Inc which was held on Monday evening to celebrate the inauguration of the exchange. The reception was attended by American business persons, community leader and other distinguished guests.

Saifur Rahman said, "we are in the process of disinvesting more public sector industries in future for which there is a need for awareness among the people and the political circles." He said Bangladesh pursued a pluralistic democratic system at the moment and believed that its economy

could not flourish in a regimented society.

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Iran's fair begins in city today

First Iran single country 11-day fair begins here at New Baily Road Officers Club at 10 am today (Thursday), reports UNB.

Commerce Minister M Shamsul Islam is expected to inaugurate the fair, organised by the Embassy of the Islamic Republic of Iran in collaboration with the Dhaka Chamber of Commerce and Industry (DCCI).

Special Envoy of the Prime Minister M Morshed Khan will attend the function as special guest.

Two trade teams to visit China next year

Two friendship trade delegations from Bangladesh sponsored by the Bangladesh China People's Friendship Association will visit China in the first quarter of the next year, reports BSS.

Invited by Chinese Friendship Association, the delegation will explore possibilities of setting up of joint venture projects and increase existing export volume from Bangladesh, a press release of the association said.

Interested members of the Bangladesh-China People's Friendship Association have been requested to contact the office of the association at 18 Purana Paltan for more information.

US dollar gains against yen in Tokyo

TOKYO, Dec 14: The US dollar gained against the Japanese yen Wednesday as the market looked for higher American interest rates, reports AP.

The dollar closed at 100.38 yen, up 0.21 yen from Tuesday's close and also above its overnight New York level of 100.19 yen.

After opening at 100.32 yen, it ranged between 100.26 yen and 100.45 yen. Spot trading totalled 4.33 billion dollars down from Tuesday's 5.66 billion dollars.

The US Federal Reserve's policy-making board is to meet next Tuesday, and expectations remain strong that it will raise interest rates, said Gilbert Suzuki, a dealer with Citibank in Tokyo. Higher interest rates tend to make a currency more attractive to investors.

Meanwhile, Suzuki said, traders are looking for clues to how the Fed might view inflation risks and the need for higher interest rates. US November consumer price figures were to be announced later Wednesday.

The market found little hint in the US labour Department's report Tuesday that the nation's so-called core rate of inflation, which excludes the volatile food and energy sectors, was up by a smaller-than-expected 0.1 per cent last month.

German mission visits Tangail dev project

TANGAIL, Dec 14: A German aid mission comprising Warnken, Mis Schafer and Plagmann, visited Tangail Infrastructure Development Project (TIDP) recently, reports BSS.

The project includes fifty-two kilometre feeder road, three growth centres, and several bridges and culverts, and the members of the mission expressed their satisfaction over the progress of the construction work. The project worth Taka 19.50 crore will be completed this month under the supervision of the Local Government Engineering Department, Tangail, an official source said.

The source said that the mission had agreed to extend the project up to June 1996 to construct fourteen point three kilometre feeder road and three more growth centre at a cost of Taka 5.50 crore more. The commitment was made at a meeting held recently between the mission and the government of Bangladesh.

In addition to the first phase the mission had assured to assist the government in the Phase Two of the TIDP.

Nanda Dulal Shah, project director, P J Jung, chief technical adviser, and M Grimm, district engineering adviser, TIDP, accompanied the members of the mission and explained the progress of work.

Japanese auto production in N-America to peak in '97

TOKYO, Dec 14: Japanese auto makers production capacity in North America will peak at about 3 million cars in 1997, a leading Japanese business newspaper reported Monday, says AP.

The Nihon Keizai Shimbun based on its forecast on interviews with top domestic auto makers on their future production plans.

Next year, it said, Japanese auto makers will boost their total annual production capacity in North America to 2.75 million autos in an effort to cope with the high yen and reduce trade tensions.

But the total Japanese capacity will peak at slightly less than 3 million in 1997, and after that Japanese car makers will shift to building plants in Asia, it said.

Auto makers said their North American operations

were not producing enough profit for their size, and expected that demand would rise more rapidly in Asia, the newspaper said.

Production costs are also generally cheaper in Southeast Asia than in Japan or North America.

The high Japanese yen makes it more expensive to manufacture cars in Japan, since salaries, parts and other costs must all be paid for in yen.

The yen has risen about 20 per cent against the US dollar in the past two years.

The production plans of Japan's largest auto maker, Toyota Motor Corp, typify the predicted trend. Toyota plans to spend about 450 million dollars to more than double the annual capacity of its Canadian affiliate by 120,000 cars. Construction starts next

year, and the expanded plant will be on line in 1997. Toyota has said.

But after that it has no plans for additional capacity, the newspaper said.

Toyota's North American affiliates made 530,000 autos last year, and the corporation sold a total of 1.1 million.

Another newspaper, the Yomiuri, reported that Toyota and Nissan Motor Co plan to begin sales in Japan of vehicles from their factories in Southeast Asia because of cost advantages.

Toyota and Nissan spokesmen would not confirm the report.

Japanese Trade Minister Ryutaro Hashimoto told auto executives Monday that he was deeply concerned about the yen's strength, saying it did not reflect economic fundamentals.

Butter ration in Moscow

MOSCOW, Dec 14: Authorities have begun rationing butter in Moscow, after a recent run on butter nearly exhausted the city's supply, a newspaper reported Wednesday, reports AP.

Demand for tea improves further

CHITTAGONG, Dec 14: The weekly tea sale held here on Tuesday was marked by further improvement in demand for different grades of teas and higher prices for almost all grades, market sources said, reports BSS.

Good liquoring teas were, however, a stronger feature of

the sale. Russia and Poland operated actively for broken grades while Pakistan also showed more interest for the same.

Internal market also lent support slightly.

Large and bold broken were a stronger market and prices were firm to dearer up

to Tk one per kg. Medium broken, likewise, were a firm market and were occasionally dearer by Tk one smaller broken, especially the good liquoring varieties were again a stronger feature and sold at dearer rates, following quality. All others were also irregularly dearer.

Samson H Chowdhury

Profile of a successful industrialist

By SY Bakht

Starting with a small village pharmacy in Pabna, Samson H Chowdhury has built-up Square Pharmaceuticals limited into a large successful company over the past three decades, commanding a leading market share of 14 per cent with an annual turnover in excess of Tk 100 crore.

The Chairman and Managing Director of Square, Chowdhury, 69, is a successful man by any count, personifying the Bangladeshi entrepreneurial spirit at its best.

The company recently made initial public offering of one million shares at Tk 900 each, including a premium of Tk 800 per share. The premium is one of the highest sought by any company listed with the Dhaka Stock Exchange.

In an interview with The Daily Star, the unassuming and soft-spoken Chowdhury talks about the past, present and the future prospects of the company and also about the problems and prospects of the pharmaceutical industry in general.

Sitting in his comfortable office at the 15-story square centre headquarters in Mohakhali, Chowdhury recalls the humble beginning of the company and how he got involved in the pharmaceutical business.

A practicing physician, his father ran a small but successful dispensary in Atalkhola, some 15 kilometres off Pabna town, in the 1940s. With little interest in holding down to a regular job, Chowdhury says, he got his father's permission and went on to open a small pharmacy sometime in the 50s.

Later, in 1958 he went on to set up a partnership company, Square Pharmaceutical Works, along with three of his friends. "We named it Square because it was started by four friends also because it signifies equality and perfection," he fondly remembers.

In 1964, the company converted into a private limited company with an authorised capital of Tk five lakh and a paid up capital of Tk four lakh.

But the turning point for the company came in 1975. Chowdhury adds, when Square entered into a technical collaboration accord with Janssen Pharmaceutica of Belgium, a subsidiary of Johnson and Johnson International of the United States. The same year the company also went for a modernisation drive and adopted the international standard for Good Manufacturing Practices (GMP).

"Officials of Janssen liked our management and operation system and we also improved our factory," he said. In subsequent years the company also adopted a strategic plan to expand its facilities to manufacture a wide range of essential drugs within the parameter of the WHO recommendations.

This enabled Square to market a wide range of products to fill the gap created by the 1982 drug policy, when

turnover reached Tk 240 million. "We had planned our expansion earlier and our switching on to new products was faster than anyone else after the 1982 drug policy."

By 1988, a new factory with the latest machinery was installed as Square continued its high growth trend with the annual turnover reaching Tk 560 million. In 1990, the company was converted into a public limited company and two years later it became the first pharmaceutical company to cross the billion taka mark in turnover.

According to IMS, Geneva, a market research firm, Square has been maintaining the leading position in the pharmaceutical industry of Bangladesh since 1987.

Chowdhury is also very optimistic about the company's future prospects of Tk 900 million to be raised by the share issue, he said adding Tk

nationalism and strict discipline. "I depended totally on the professionals, I never interfered with their decisions and I also maintained strict discipline at the company," he said.

Asked if he faced problem with the local workforce having a reputation of being unruly at times, his reply was in the negative. "I think it all depends on your attitude. If you want to make them work, you will also have to listen to them."

Also the Vice President of the Bangladesh Aushad Shilpa Samity, the industry trade body, Chowdhury said country's overall pharmaceutical industry is doing very well with an annual growth rate of around 15-20 per cent and it is also meeting about 80 per cent of the local requirement. "In general, the pharmaceutical industry is doing quite well and it is also well disciplined. The employees are well-paid

cracy. But you have to share responsibility with the subordinates," he said. "We are being pulled back because of the bureaucratic bottlenecks. We need more support from them, not more problems."

Chowdhury also suggests updating the Drug Rules of 1940 and 1944 and feels that the procedures at the Securities and Exchange Commission, for floating of public shares, should be expedited.

The shortage of trained manpower is acute in the pharmaceutical industry and the existing pharmacy departments at the country's universities are not geared to meet the requirement of the industry, Chowdhury pointed out. "Now, we have to train them on our own by sending them overseas."

He suggests setting up a training institute with government initiative to meet the requirements of the pharmaceutical industry.

Another industry problem he referred to has to do with signing licencing arrangement with foreign companies. Under the 1982 drug policy any licencing arrangement with foreign companies is not allowed. "We are not being able to go for technology transfer, we have been deprived of it. Licencing arrangements between a local company and a multi-national company should be allowed."

On curbing environmental pollution, Chowdhury said, "We should be very strict on pollution control, particularly because we are a small and densely populated country."

He recommends setting up of a central effluent treatment plant in the country which would treat effluents of different factories and charge them accordingly. This will remove the burden on individual industries to set up expensive pollution control devices, he says.

What is going to be the likely effect on the country's pharmaceutical industry when the GATT comes into force? To this, Chowdhury responds with cautious optimism.

Initially, there might be some problem as many products are being locally produced in violation of the intellectual property rights, he said. "But if the quality and standard is kept up then many of the research-based companies from the developed countries will come to countries like Bangladesh to manufacture the products here," he added. "We have 10 years time before GATT comes into effect. I think we still have sufficient time to get ourselves ready to meet the challenges and manufacturing has to shift where production costs are cheaper."

He, however, said that the government policies and regulations have to be made more conducive to the industry needs, and infrastructural support, including human resources development, has to be forthcoming to meet the challenges of the future.



Samson H Chowdhury

400 million will be used for BMRE of Square while the remainder will be used as part of the equity to set up a Tk 200 crore composite textile mill under a sister concern of the company, Square Textiles Limited. Square is also undertaking an ambitious export drive and deals with suppliers in Yemen, Vietnam and the Commonwealth of Independent States (CIS) are currently being finalised, he said.

Chowdhury pinpoints the success of his company to the total commitment to profes-

cracy. But you have to share responsibility with the subordinates," he said. "We are being pulled back because of the bureaucratic bottlenecks. We need more support from them, not more problems."

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Rahmatullah Nazir Khan, Regional Director of International Islamic Relief Organisation, Bangladesh office, distributed sets of *Riyadus Saleheen Hadis* and valuable religious books among the newly-appointed male/female *Muballigues* in the city recently.

Asian stock markets close mixed

HONG KONG, Dec 14: Asian stock markets closed mixed Wednesday, with share prices closing higher in Hong Kong, although news of an unsuccessful government land auction eroded gains from early trading, reports AP.

The Hang Seng Index, the market's key indicator of blue chips, rose 147.60 points or 1.9 per cent, closing at 7,997.35. It had gained 141.97 points Tuesday.

The government found no takers for an 8,431-square-metre (93,700-square-foot) residential plot in the New Territories in northern Hong Kong at 380 million Hong Kong dollars (48.72 million US dollars) and withdrew the site from bidding.

The index climbed by as much as 180 points in early trading, but couldn't maintain that gain.

In Tokyo, share prices gained moderately in light trading after a three-day fall.

The 225-issue Nikkei Stock Average gained 56.01 points, or 0.30 per cent, closing at 18,931.49. On Tuesday, the Nikkei had fallen 99.62 points, or 0.53 per cent, closing at 18,875.48.

The Tokyo Stock Price Index of all issues listed on the

first section was up 0.37 points, negligible in percentage terms, to 1,498.04. It had slipped 6.11 points, or 0.41 per cent, to 1,497.67 the previous day.

Share prices moved narrowly in the absence of major market-moving news, but the stability of the foreign exchange market helped prompt small-lot buying by some institutional investors, dealers said.

Meanwhile, the US dollar closed at 100.38 yen, up 0.21 yen from Tuesday's close and above its overnight level in New York of 100.19 yen.

Elsewhere in Asia: WELLINGTON: New Zealand shares dropped in moderate trading, with brokers expecting the market to continue to drift. The NZSE-40 capital index lost 6.66 points to 1,895.66.

TAIPEI: Share prices continued their week-long slide as institutional investors were leaving the market for year-end account settling. The Weighted Index slipped 15.67 points to 6,681.90.

MANILA: Share prices stayed in a narrow range in lackluster trading before ending lower. The PSE index fell 2.69 points to 2,617.90.

SYDNEY: Australian shares

rose for the second consecutive session, even though the central bank raised officials short-term interest rates. The All Ordinaries index gained 11.1 points to 1,863.8.

SEOUL: Share prices ended marginally higher as blue chips rallied while the rest suffered losses across the board. The Korean Composite Stock Price Index climbed 0.72 point to 1,026.61.

SINGAPORE: Share prices rose sharply, with gains across the board. The 30-share Straits Times Industrial Index added 24.86 points to 2,114.

KUALA LUMPUR: Share prices soared on local institutional buying, surging more than four per cent in brisk dealings in heavily over sold blue chip shares. The KLSE Composite Index, biased toward large capital companies, increased 36.74 points to 937.15.

BANGKOK: Stock prices dropped on worries over anticipated US interest rate increases. The Stock Exchange of Thailand index fell 25.51 points to 1,280.07.

JAKARTA: The stock exchange's Composite Index climbed 6,330 points, closing at 453,370.

Indian economic reforms to continue despite poll rout

NEW DELHI, Dec 14: The pace of India's sweeping economic reforms will not be slowed by the ruling party's crushing defeat in crucial state elections, a federal minister said yesterday, reports AFP.

"The economic reforms process will continue at the same pace," Minister of State for Labour PA Sangma said in a discussion on the "safety net and social implications of the structural adjustment programme."

There shall be no slowdown, the Press Trust of India quoted him as saying.

It was the first decisive government response to mounting accusations that economic liberalisation was chiefly responsible for the Ruling Congress (I) party's rout in the states of Andhra Pradesh and Karnataka.

The reforms were initiated by PV Narasimha Rao after becoming prime minister in June 1991, and the 73-year-old party leader had sought support from the electorate for his liberalisation policy.

But the congress was soundly defeated in both states in the staggered November-December elections, which were seen as a virtual referendum on Rao.

learned a lot, Sangma said, but added it was not possible to slash more subsidies or reduce funding of the social sector.

The opposition claims the government's economic reforms are biased against the poor and have been imposed by international aid agencies.

Tehran forecasts large increase in oil revenue

TEHRAN, Dec 14: Iran forecasts a large increase in oil revenue next year despite a cut in exports, President Ali Akbar Hashemi Rafsanjani said Tuesday, reports AFP.

Outlining the draft budget for March 1995-96, Rafsanjani told parliament that revenue from oil was estimated at 14.3 billion dollars.

He said the forecast was "realistic given developments in the oil market."

Iran will earn between 12 and 13 billion dollars from oil during the current financial year, experts say.



Ali new DGM of ANZ Grindlays

Muhammad A. (Rumeel) Ali, Chief Manager, Business Banking of ANZ Grindlays Bank plc, has been appointed Deputy General Manager of the bank, a newly created position, with immediate effect, says a press release.

Ali joined the bank in 1974 as a management trainee after he did M A in Economics at the University of Dhaka. Since joining the bank he has held various key positions including Area Manager Chittagong, Country Operations Manager, Chief Manager, Credit and Marketing, Dhaka and Area Manager Dhaka. He was appointed Chief Manager, Business Banking in April 1993.

He has also participated in the bank's senior management training courses at Bombay, London and Melbourne.