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The Daily Star BUSINESS

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United Leasing declares 25pc dividend

United Leasing Company Limited, a publicly-traded company, held its 10th AGM at a local hotel on Thursday, says a press release.

The meeting was attended by shareholders including the directors representing foreign stakeholders — CDC, ADB, Lawrie Group plc.

The company declared a dividend of Tk 25 per share for the year ended December 31, 1998.

It earned a pre-tax profit of Tk 10.41 crore (Tk 4.41 crore after tax) in 1998 compared to a pre-tax profit of Tk 7.89 crore (Tk 6.39 crore after tax) in 1997.

Income from operation grew by 31 per cent from Tk 52.34 crore in 1997 to Tk 68.71 crore in 1998.

Leased assets of the company amounted to Tk 133 crore at the end of 1998 from Tk 103 crore in 1997.

Kafuddin Mahmood, Chairman of the company, presided over the annual general meeting.

Body formed to probe FWP irregularities

A four-member sub-committee was formed yesterday to probe any irregularities in the implementation of the Food for Work Programme (FWP) throughout the country, reports BSS.

The sub-committee was formed at a meeting of the Parliamentary Standing Committee on the Ministry of Disaster Management and Relief held at a Sylhet宾馆, an official press release said.

The Sub-Committee, headed by Md Abdur Rouf Choudhury, has been asked to place its report before the Standing Committee after inquiring into whether there is any irregularity in the FWP programme in the country.

With Sayed Kamal Bakht in the chair, the meeting was attended, among others, by State Minister for Disaster Management and Relief, Talukder Abdul Khaque, Md Wazid Khan, Kazi Keramat Ali, Md Abdur Rouf Choudhury, Begum Farida Rouf Choudhury, AKM Mostafizur Rahman, Zainul Abidin Faruque and Saliduzzaman Beltu.

Secretary of the ministry, Azad Ruhul Amin and other senior officials were present in the meeting.

Toshiba develops world's thinnest computer chip

TOKYO, May 22: Japan's Toshiba Corp has developed a paper-thin computer chip that will help efforts to make ever-smaller electronic goods, a news report said, reports AP.

The 0.13 millimetre (.0052 inch) thick semiconductor, which the company claims is the thinnest and lightest in the world, will mainly be used in memory cards, Kyodo News Agency said, quoting company officials.

Toshiba plans to start shipment of the semiconductors in mid-2000, Kyodo said.

Earlier this week, Hitachi Ltd announced it had developed a semiconductor called the PLED chip that can pack information into a smaller space than conventional dynamic random access memory chips.

Japan moves to liquidate failed regional bank

TOKYO, May 22: Japan's financial regulators declared Kotoku Bank, a midsize regional bank insolvent Saturday and moved to place the institution under government control, says AP.

The Financial Reconstruction Commission decided to send administrators to supervise the liquidation of Kotoku after the bank conceded Friday that it could not rehabilitate itself on its own, commission chief Hakuo Yamagisawa said in nationally televised comments.

Kotoku had amassed a capital deficit of 46 billion yen (371 million dollars) and was in danger of seeing its capital adequacy ratio dwindle to 0.5 per cent, well below the required 4.0 per cent for domestic banks.

Under a law enacted last year to shore up Japan's tottering financial system, the FRC's administrators will manage Kotoku's operations as it searches for a healthy bank to take over the bank's business.

All of Kotoku's deposits will be protected by the government, and the Bank of Japan will provide funds to keep it afloat.

Kotoku is the second bank to be liquidated by government administrators under Japan's financial Reconstruction Law. In April, Kokumin Bank, another regional bank was taken over by the government after it admitted it could not rebuild its finances.

The failures come as Japan's entire financial industry teeters under the weight of massive bad loans acquired during Japan's speculative "bubble" economy.

Roche starts setting up manufacturing plant in Gazipur Pharmaceutical sector gets first FDI in 12 years

By Monjur Mahmud

A multinational pharmaceutical company has started setting up a manufacturing plant in Bangladesh. The plant is the first foreign direct investment (FDI) in the sector in last 12 years and the second since the country's independence.

Encouraged by the steady growth of the current import-based pharma business in Bangladesh, F. Hoffmann-La Roche Limited, a Swiss company, has decided to invest in the local market.

The company has recently established an affiliate company, Roche Bangladesh Ltd (RBL), with a cent per cent equity participation.

"Our vision is to be one of the top five pharmaceutical companies in next five years," Nasser Shahrear Zahedee, Managing Director of RBL, told The Daily Star.

This would be one of best projects in the subcontinent as both the plants will meet the international standard of Good Manufacturing Practices (GMP), he added.

Besides its own plant, RBL is supporting its licensee, Healthcare Pharmaceuticals Ltd (HPL), which is fully owned by local entrepreneurs and equipped with modern technology, design, consultancy and some machinery to build a state-of-the-art pharmaceutical plant.

Both the plants will be thoroughly managed by quality

professionals from home and abroad. The employees would be trained in different pharmaceutical plants of Roche around the world," Zahedee said.

"Most of the products to be manufactured in both these plants, located at Rajendrapur in Gazipur, would be import substitutions," he said, adding that many life-saving medicines couldn't be imported now on price ground.

"These items would be included in our manufacturing list," he said.

We will offer life-saving medicines at rates which would be much lower than their imported price structure. Moreover, the project will not only help save foreign exchange, but also earn the same through exporting medicines to the neighbouring countries, he said.

The machinery for both these plants will be imported from Germany, Switzerland and Britain. We are using the most sophisticated and advanced construction materials like glass reinforced polyester (GRP) for the production areas which is highly clean, durable and flexible for modular technology," said the RBL managing director.

He also informed that the project was expected to go into commercial production in mid-2000 and would generate around 300 jobs.

Regarding the technical co-

operation deal between RBL and HPL, he said that it would benefit both the companies by allowing HPL an access to advanced technical know-how of Roche in one hand and enabling RBL to increase its local market share substantially with a wider product range on the other.

Roche, a 103-year-old research-based pharmaceutical company, started its activities in Bangladesh through a scientific office set up in 1988.

Focusing on the country's pharmaceutical sector, Zahedee said the pharmaceutical sector of Bangladesh should grow as one of the promising export sectors provided the right initiative is taken by the government.

The only way to develop this sector is to ensure transparency and uniformity in implementing the regulations, he said, adding that the whimsical and discriminatory decisions of the Directorate of Drugs Administration (DDA) had been the main deterrent to foreign investments in this sector.

"Although, the DDA has been very supportive to our manufacturing project, we have also gained some odd experiences and are still facing certain discriminatory decisions of the DDA," he said.

While three out of nine multinational companies have closed their plants in last few years, we are going counter-cur-

rent," Zahedee said. "We have made it buoyed by our strong determination to stay and grow in the market and become a development partner of the pharmaceutical sector of Bangladesh."

We should encourage joint ventures or licensee manufacturing arrangements with internationally-reputed pharmaceutical companies to let our manufacturers gain access to the latest pharmaceutical know-how, he said.

Bangladesh is missing the opportunities of becoming a major pharmaceutical exporter to prospective markets like Myanmar, Nepal, Sri Lanka and a number of African countries, he added.

He suggested that a concerted initiative of the local manufacturers and the government could boost the country's export figures in geometric progression.

In the first phase, the plants will produce oral solid dosage forms, which include cardiovascular, anxiolytic, anti-epileptic, analgesics, anti-thyroid drugs and will also conduct certain manufacturing processes of injectable cephalosporins. The second phase will include the injectable preparations.

In addition to Roche technical experts, consultants from Switzerland, UK, Indonesia and Bangladesh are working on the project.



Omar Zaki Mustafa, Managing Director of TM International Bangladesh Ltd, and Faisal Alim, Managing Director of Crescent Trade International Ltd, an AKTEL-authorised dealer, at the opening ceremony of its new showroom at Uttara.

— Crescent Trade photo

New showroom of Crescent Trade Int'l opens

Crescentel, a new showroom of AKTEL-authorised dealer, Crescent Trade International Ltd, was opened at Kushal Centre, Uttara, yesterday.

Omar Zaki Mustafa, Managing Director of TM International Bangladesh Ltd, inaugurated the showroom as the chief guest, says a press release issued yesterday.

In his speech, Omar Zaki Mustafa congratulated Crescent Trade International for its outstanding performance as a dealer.

He said AKTEL is already in process of ensuring customer satisfaction for network availability and by next two months its coverage in Dhaka city will be satisfactory.

The Managing Director of Crescent Trade International Ltd, Faisal Alim, said his company has opened six outlets in the city in the name of Crescentel providing AKTEL connection with variety of hand sets and has a plan to open another two more new show rooms in the city by the end of June and will enhance its service to Khulna, Jessor and Sylhet by next year.

Schezade A K Khan, Director, A K Khan and Company (partner of AKTEL), Ashraf Chowdhury, GM of AKTEL, officers of AKTEL and others from country's Telecommunication sector was present in the ceremony.

Khalilur Rahman and Major (Rtd) Afsar, Director of the "Crescentel" were also present.

Argentina warned of looming crisis

RIO DE JANEIRO, May 22: Brazilian Minister of Development, Industry, and Trade, Celso Lafer, warned here Friday that any financial crunches in Argentina could cause a negative effect on bilateral and regional trade, reports Xinhua.

Rumours that the Argentine peso will be devalued have been heard recently, which have seriously overshadowed the Brazilian financial market, causing losses in the stock market and an increase in value of the US dollar against the Brazilian real.

The provision was a compromise between the United States and France, which had wanted to eliminate the ceiling.

Iraq, over the last six months, has only been able to sell \$3.8 billion in oil because of relatively low oil prices and the dilapidated state of its oil industry. But if prices remain at or above current levels, Baghdad may reach the \$5.26 billion mark before November 20.

Oil industry sources expect a gap in the flow of oil until about June 10, Iraq, which says the programme is useless, has not yet agreed to the extension.

Benon Sevan, the UN under-secretary-general in charge of the programme, said he did not expect the extension to the programme, which includes agreement with Iraq on a plan on distributing the supplies, to be easy and we should not take it for granted.

Vietnam's leather export increases sharply

HANOI, May 22: Vietnam's leather and footwear sector achieved an export turnover of more than 400 million US dollars in the first four months of this year, a year-on-year increase of 31 per cent, Vietnam news agency reported today, says Xinhua.

The leather and footwear sector has invested 160 billion Vietnamese dong (VND) (11.5 million US dollars) in 10 projects to boost production of export items, the report said.

In addition, Vietnam's Leather and Shoes Corporation and the Hiep Hung Shoes Company have entered into joint ventures with Vietnam's Coal Corporation and the Thai Nguyen Steel Company to expand production of shoes for export, each contributing 20 billion VND (1.5 million dollars) to the joint ventures.

Vietnam's leather and footwear sector is trying to export 1.2 billion US dollars worth of leather products this year.

Indonesian banks asked to recover bad loans

JAKARTA, May 22: The Indonesian government has ordered state banks to recover 45 trillion rupiah (5.6 billion US dollars) of their problem loans this year by focusing on their 125 largest debtors. The Jakarta Post reported Saturday.

State Minister of State Enterprises Tanri Abeng said that under the new loan workout strategy, total problem loans (all categories) at four state banks should fall from 98.9 trillion rupiah as of the end of March to 53.9 trillion rupiah by year-end.

The four state bank are Bank Negara, Indonesia, Bank Mandiri, Bank Tabungan Negara and Bank Rakyat Indonesia.

To achieve this target, we plan to complete the restructuring of problem loans of the 125 largest groups of debtors, which have total obligations (to state banks) of 24.3 trillion rupiah," Tanri said.



Fritz Gerber, chairman of the board of directors of F. Hoffmann-La Roche Ltd. (Roche), answers questions during a press conference in Basel Friday. The Swiss-based pharmaceutical company Roche announced Thursday that it has reached a settlement agreement with the US Department of Justice regarding past price practices of its vitamins and fine chemicals division. Roche agreed to plead guilty to fixing vitamin prices and market share and to pay a fine of 500 million USD. German BASF Aktiengesellschaft will also plead guilty and will pay 225 million dollars, the Justice Department said.

Rangpur Foundry IPO lottery held

Star Business Report

Rangpur Foundry Limited held its Initial Public Offering lottery at its office in the city Thursday.

The lottery was held to determine the successful applicants due to heavy over-subscription of public issue of the company against the invitation of Tk 2 crore, says a press release.

As per guideline and direction of SEC, the Computer Science Department of Bangladesh University of Engineering and Technology (BUET) conducted the lottery.

Besides a good number of applicants, representatives from Dhaka Stock Exchange, Chittagong Stock Exchange, ICB, Salcom Computer Ltd (data processor), Prime Finance and Investment Co Ltd (Issue Manager) were present at the lottery.

Company's chairman and senior officials were present on the occasion.



Russian Prime Minister Sergei Stepashin (C) shakes hands with new Interior Minister Alexander Voloshin (L), President Boris Yeltsin's chief of staff, Vladimir Rushailo (R) as Alexander Voloshin (L), President Boris Yeltsin's chief of staff, applauds during an introduction ceremony in Moscow Saturday. Stepashin, who was interior minister in the previous cabinet, introduced his successor to the ministry, saying his goals will be anti-crime operation, decriminalization of the economy and fighting organised crime.

— AFP photo

US awaits green signal from China to resume stalled talks

WASHINGTON, May 22: US trade officials are cooling their heels waiting for a signal from Beijing to resume stalled trade talks, but many analysts are optimistic about a deal to bring China into the World Trade Organization (WTO) by the end of the year, reports Reuters.

"I think we will reach an accommodation," said Willard Worka, international policy expert at the US Chamber of Commerce. "I don't think that accommodation is imminent though. We're going to have to let some time run to allow things to calm down."

The talks have been on hold since NATO mistakenly bombed the Chinese embassy in Belgrade and US officials have said they are waiting for Beijing to give them the green light to send US trade negotiator Robert Cassidy to China to resume negotiations.

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The gains to be had from holding dollar bills, once again hitting the gold price.

Dealers continued to fear widespread selling from the official sector, notably from

Switzerland and the International Monetary Fund.

Meanwhile, the World Gold Council industry lobby group reported that global demand rose by 62 per cent in the first quarter of 1999 to a three-year high.

The morning fix mid-week fell to 272.85 dollars an ounce, its lowest since May 30, 1979.