

**SANYO** Japan  
Installment Facility Available  
**Air Conditioner**  
Transfin Trading Ltd.  
Tel: 815307-10, Fax: 813062

# The Daily Star BUSINESS

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**SANYO** Japan  
**Freezer**  
(100% CFC Free)  
Transfin Trading Ltd.  
Tel: 815307-10, Fax: 813062

## 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 stake-holders — 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.

Kafiluddin 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 (FFW) 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 the Ministry of Disaster Management and Relief.

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 FFW 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 Khaleque, Md Wazuddin Khan, Kazi Keramat Ali, Md Abdur Rouf Choudhury, Begum Farida Rouf Choudhury, AKM Mostafizur Rahman, Zainul Abedin Faruque and Sahiduzzaman Belu.

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 (0.005 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 in solvent 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 Yanagisawa 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 05 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, Kokumori 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 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 100 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.

## New showroom of Crescent Trade Int'l opens

Crescent, 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 Crescent 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, Jessore 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 were present in the ceremony.

Khalilur Rahman and Major (Rtd) Afsar, Director of the 'Crescent' 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 minister admitted that the change in the Brazilian exchange system has had an impact on the competitiveness of the Argentine motor vehicle manufacturing sector.

He said that Brazil is closely watching the economic situation in Argentina and would seek government assistance when necessary.

Lafer also expressed confidence that the Argentine government will surmount the crisis "as it has already done in the past," and the Brazilian government can also solve difficult situations.

## 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 1.60 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, says Xinhua.

State Minister of the Empowerment 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.

## 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.



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.

## 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 Organisation (WTO) by the end of the year, reports Reuters.

"I think we will reach an accommodation," said Willard Workna, 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.

"I am not pessimistic. I am pretty optimistic this thing is going to come together," said one Congressional analyst. "But it won't be the timing people wanted or expected."

After coming close, but failing to reach a deal last month during Premier Zhu Rongji's Washington visit, US officials had hoped to complete a deal by the end of May. That would have allowed the White House to seek an early vote in Congress on granting China permanent trade privileges.

Congress has to vote by the end of July on whether to extend Normal Trade Relations (NTR), or Most Favoured Nation (MFN) as it used to be called to China for another year. The administration had hoped a WTO deal could be reached in time for lawmakers to vote on the question of permanent NTR for China at the same time.

The business community, which is already laying the groundwork to win congressional support, had hoped to have one vote on China's trade status, but with talks still on hold, it appears more likely that Congress will have to have two votes.

Beijing would like to join the WTO by the end of the year when ministers will meet in Seattle, Washington, to launch a new round of global trade liberalisation negotiations. But before resuming talks, China wants to hear a full report from the Americans on how their embassy came to be a mistaken target in a NATO bombing raid on Belgrade, analysts said.

The United States has blamed outdated maps. But the White House said on Friday it will send an envoy to China to brief the government on the results of the investigation.



Russian Prime Minister Sergei Stepashin (C) shakes hands with new Interior Minister 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.

## Metal: Weekly Roundup

# BOE selling decision pulls gold down to 20-yr low

LONDON, May 22: Gold crashed down to a 20-year low point this week in a continued show of market despair at the Bank of England's decision to sell more than half of its strategic stocks, reports AFP.

Even reports of a take-off in demand in Asia and in the United States did little to lift beleaguered market sentiment.

Prices were also hit by news that the US Federal Reserve has moved towards a "tightening bias" that might herald higher interest rates in the world's powerhouse economy.

A rate hike would increase 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.

It was the latest dip in the precious metal's price in a bleak two-week period during which gold has lost 5.5 per cent of its value.

The sell-off was triggered by a Bank of England (BOE) revelation earlier this month that it plans to dispose of 415 tonnes of gold — more than half of its stocks — starting in July.

"The BOE factor overhangs the market at the moment,"

said Peter Richardson, global head of commodity research at Warburg Dillon Read. It has "reinforced concerns about other official sector sales."

Analysts added that the outlook for gold deteriorated further with the indication from US monetary authorities on Tuesday that another interest rate hike could be in the pipeline, which might increase the returns from currency investments.

Analysts have wondered aloud whether gold was becoming an outdated asset. Decisions to sell the metal do not merely increase supply and hence weight down on prices, but send a negative signal to the market about the return on investment in gold.

**SILVER:** Slipper. Silver

prices fell slightly in the wake of gold, in spite of a better fundamental outlook than for the yellow metal, dealers said.

On the London Bullion Market, an ounce of silver was being traded at 5.32 dollars from 5.36 dollars one week earlier.

Dealers said that although trading volume was relatively light, some powerful US investment funds had begun selling silver as investor appetite for the precious metals market ran dry.

**PALLADIUM AND PLATINUM:** Lower. Palladium prices fell amid rumours of large scale sales from Russia and profit-taking after the previous week's gains, market watchers said.

On the London Palladium and Platinum Market, palladium prices fell by nine dollars

to 328 dollars an ounce. Traders said that prices were undermined by a soothing of political tensions in Russia, which is the world's largest producer country.

**COPPER:** Cropper. Copper prices fell again on the London Metal Exchange this week amid persistent high official reserves and a fall in the number of US housing starts.

Copper lost another 60.7 dollars in London to 1,503.80 dollars a tonne as official reserves increased again by 10,425 tonnes to 773,125 tonnes. Prices were pegged back after the US commerce department announced a 10.1 per cent fall in housing starts in April, the sharpest fall since January 1994.

**LEAD:** Weight. Lead dipped

on the London Metal Exchange as official reserves trended higher in a lacklustre market.

On the LME, three-month prices lost 9.50 dollars to 546.5 dollars a tonne, as LME stocks swelled by 2,750 tonnes.

**ZINC:** Powder. Zinc prices fell back in line with falls in copper prices.

On the LME, three-month prices were down 21.5 dollars to 1,058.8 dollars per tonne, although official reserves fell 225 tonnes to 313,075 tonnes.

**ALUMINIUM:** Lower. Aluminium prices on the London Metal Exchange (LME) fell in the wake of copper, profit-taking and an increase in global production.

Three-month prices fell by 30 dollars to 1,346 dollars per tonne.