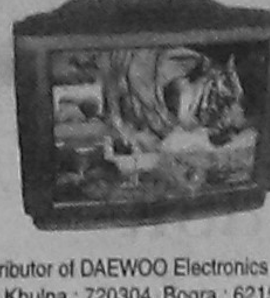

The Daily Star
BUSINESS
DHAKA, THURSDAY, MARCH 30, 2000

Novartis becomes country's first crop protection pesticide exporter

Novartis Bangladesh Ltd became the first company in the country to export pesticides for crop protection, by shipping five metric tonnes to pymetrozine under the brand name of 'Chess' to Philippines on March 10, says a press release.

Novartis Crop Protection will annually export more than US$1 million pymetrozine to the Southeast Asian country.

Pymetrozine is a new generation novel insecticide used for controlling sucking insects and widely used against mango hoppers in the Philippines.

"This is another item added to the country's export basket," says Sarwar Ahmed, Executive Director of Crop Protection, Novartis (Bangladesh) Limited. We will use this experience to further explore export possibilities to other countries in Asia."

Novartis (Bangladesh) Limited already exports pharmaceuticals and cockroach/fly control products to several countries.

In Bangladesh, Novartis is a joint venture, partly owned by Bangladesh Chemical Industries Corporation (BCIC). The agri-businesses of Novartis and Astra-Zeneca will eventually merge to form Syngenta towards the end of the year.

Alpha Tobacco declares 42.5pc dividend

The 33rd Annual General Meeting of Alpha Tobacco Manufacturing Company Limited was held yesterday at the factory premises at Singia, Jessore, says a press release.

Presided over by the company Chairman AM Agha Yusuf the meeting was attended by directors A Ahmed Yusuf, Atiqur Rahman, Manjur Ahmed, AR Malik and many shareholders. The meeting declared 42.5 per cent dividend for distribution to the shareholders.

JS body reviews Parjatan Corpn progress

The Jatiya Sangsad Sanding Committee on Civil Aviation and Tourism Ministry yesterday reviewed the progress of implementation of the decisions taken for making Parjatan Corporation a profit-making industry by offsetting its losses, reports BSS.

The committee meeting, chaired by Bir Bhahadur, MP, was held at the Sangsad Bhaban here.

The Committee also made some recommendations to develop the Corporation by improving the security of both local and foreign tourists.

JOBS workshop held in Tangail

A three-day training workshop on "Bank SME Clients Training in Strengthening Business and Marketing Development" ended at the Bhuapur Upazilla complex, in Bhuapur, Tangail on March 26, says a press release.

It was organised and sponsored by the USAID funded JOBS Programme in collaboration with Micro Enterprise Development Unit (MEDU) of Agrani Bank.

Conducted by the Center for Human Excellence (CENCE), 22 participants — 17 existing clients of Agrani Bank and five potential clients — from Bhuapur who are involved in different small business ventures, attended the training programme.

Thana Nirbahi Officer, Bhuapur, Tangail, Al Nuri Faizur Reza attended the certificate awarding ceremony as the chief guest.

Md Abdul Aziz, Branch Manager, Agrani Bank, Zaman, Programme Director, Executive Development Programme, CENCE, and Hasan Imam Khan, Assistant Manager, Loans Facilitation Unit of JOBS/USAID were also present in the closing and certificate awarding ceremony.

Six Indians among 39 tech billionaires

NEW YORK, Mar 29: Six Indians led by Azim Hasham Premji of Wipro are among 39 tech billionaires outside the United States, more than half of them having achieved the status since July last, according the authoritative financial magazine Forbes global, reports PTI.

Japan with 15 billionaires has the maximum number in the category followed by India and Germany at six each. Taiwan and Britain have two each. Hong Kong, France, Canada, Ireland, Italy, Israel, Spain and Sweden account for one each.

The list is topped by Masayoshi son of Softban, Japan whose net worth increased from 6.4 billion dollars in July to 33.3 billion dollars this month.

SAFTA prospect looks bleak

Bangladeshis, Lankans opt for bilateral free trade deal

Star Business Report

As the South Asian Free Trading Area (SAFTA) now looks a remote possibility, the business communities of Bangladesh and Sri Lanka have taken a move to design a bilateral free-trade agreement for expansion of trade and investment between the two countries.

This was disclosed yesterday at a meeting between the visiting Sri Lankan trade mission and the country's business community organised by the Metropolitan Chamber of Commerce and Industry (MCCI).

Commerce Minister Abdul Jalil told the meeting that he had talks with his Sri Lankan and Indian counterparts last month during the UNCTAD meeting in Bangkok to have such bilateral trading arrangements. The government is working on the accords.

The apex chambers of Bangladesh and Sri Lanka are also involved in designing the bilateral trade agreement for the mutual benefit of both the countries, said the leader of the visiting Sri Lankan business delegation, Tissa Jayaweera.

Sri Lanka already has such a Free Trade Agreement (FTA) with India. Under this FTA, India will reduce its tariff to zero level in three years and Sri Lanka has allowed free entry of agreed Indian products for eight years. India also signed a FTA with Nepal for a phased removal of tariffs and quantitative restrictions within three years.

It was also disclosed at the meeting that the two countries have agreed to have Dhaka-Colombo direct air flights twice a week.

With MCCI President Latifur Rahman in the chair, the meeting was addressed by Sri Lankan High Commissioner E G Dayananda, Dhaka Chamber of Commerce and Industry (DCCI) President Aftab ul Islam, Vice President of MCCI C M Alam and its Secretary General C K Hyder. Editor of The Financial Express Moazzem Hussain presented the keynote speech highlighting Bangladesh-Sri Lanka trade and investment prospects.

The commerce minister underlined the need for increased private sector initiatives to forge a greater SAARC cooperation.

MCCI President Latifur Rahman said despite historical links between the two countries, the volume of bilateral trade between Bangladesh and Sri Lanka was not encouraging and left scopes for exploiting untapped potentials.

He said two-way trade between the two countries amounted to US$ 10.36 million in 1998-99, US$ 7.16 million in 1997-98 and US$ 13.42 million in 1996-97.

Bangladesh's exports to Sri Lanka were worth US$ 3.54 million in 1998-99, US$ 1.245 million in 1997-98 and US$ 2.42 million in 1996-97. On the otherhand, the imports from Sri Lanka were US$ 6.82 million in 1998-99, US$ 5.92 million in 1997-98 and US$ 11 million in 1996-97.

The MCCI president said the present low levels of bilateral trade is mainly because of lack of appropriate contacts between the business communities of the two countries, lack of proper institutional supports and low level of complimentarity of industrial cooperation. Unequal tariff structures also contribute to dampening of gainful trading.

He said Bangladeshi and Sri Lankan entrepreneurs can collaborate in prospective sectors like rubber, textiles, fertiliser, pharmaceuticals, food processing, paper and pulp, computer software, hotels and entertainment parks.

Moazzem Hossain said Bangladesh-Sri Lanka FTA would not automatically raise the volume of bilateral trade, but this is likely to create new dynamic conditions for increased economic and trade relations.

Commerce Minister Abdul Jalil addresses the members of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) and the Trade Mission from Sri Lanka-Bangladesh Business Council (SLBBC) at the MCCI Conference Hall yesterday. Latifur Rahman, President of MCCI, Aftab-ul-Islam, President of DCCI, C M Alam, Vice-President of MCCI, C K Hyder, Secretary-General of MCCI, E G Dayananda, High Commissioner of Sri Lanka, and Tissa Jayaweera, leader of the delegation, are also seen in the picture. — MCCI photo

Jose Luis Saenz de Miera, Cemex Europe and Asia Director, shows the model of the Cemex plant to guests after the official ground-breaking ceremony of the factory at Madanganj in Narayanganj. Seen on his right is Mokammel Haque, Chairman of Board of Investment. —Star photo

Cemex starts production early next year

World's largest cement co comes to Bangladesh

Star Business Report

The world's largest cement company, Cemex, will go into production in Bangladesh in February next year.

The company held the formal ground-breaking ceremony of its factory at Madanganj in Narayanganj yesterday. Chairman of the Board of Investment (BOI) Mokammel Haque laid the foundation stone of the factory.

Cemex Europe and Asia Director Jose Luis de Miera, Cemex Indonesia President Francisco Noriega and local member of parliament SM Akram were present among others in the function.

BOI Chairman Mokammel Haque said Cemex came to Bangladesh as a result of the government's liberal economic policy.

Cemex Europe and Asia Director Jose Luis Saenz de Miera said this new factory will generate employment for 500 people and it will produce 500,000 tonnes of cement a year.

At the initial stage, CEMEX is going to market the cement that is will import from its foreign plants. So they are investing heavily to build a manufacturing facility in Madanganj, Narayanganj.

CEMEX was founded in 1906 with the name Cementos Hidalgo in northern Mexico, near Monterry.

The company established a nation presence with the installation of new kilns at its Merida added 500,000 tons of new capacity. In 1976, the company turned into a public limited company. Later this year, CEMEX began exporting cement and clinker. The acquisition of Cementos Guadalajara's three plants made the company Mexico's market leader.

CEMEX strengthened its global position in 1992 when it acquired Valencian and Sanson, Spain's two largest cement producer, with 36 million metric tons of capacity. In course of time CEMEX entered into Venezuela, USA, Panama, Dominican Republic, etc.

During 1998 and early 1999, CEMEX expanded its Southeast Asian foothold by purchasing a 20 per cent interest of Indonesia's largest cement producer, PT Semen Gresik. CEMEX also consolidated its Philippine presence by buying an additional 40 per cent economic interest in Rizal and 99.9 per cent economic interest in APO cement corporation. In 1999 CEMEX entered into the Bangladesh market.

CEMEX has a variety of products. Hydraulic cement is the most common type of cement which is used in construction projects ranging from small to medium-sized private construction to-massive public construction. Portland cement is the most frequently used hydraulic cement, composed of approximately 95 per cent clinker and 5 per cent gypsum. There are five different types of Portland cements, which are different, in uses. CEMEX also has a wide range of building materials like blended cement, masonry cement, white cement, ready mix concrete etc.

Fragile Pak economy needs mergers, analysts say

KARACHI, Mar 29: Pakistan's fragile economy urgently needs to be strengthened by more corporate mergers and acquisitions, analysts say, predicting that several will be announced in coming months, says AFP.

In what is seen as the start of a new period in Pakistan's corporate history, two private sector giants in the polyester fibre industry announced their merger last week.

The Dewan Mustaq Group acquired majority ownership and management control of its competitor Dhan Fibre, a Chakwal Group company.

Dewan Group purchased 200 million shares of Dhan Fibre worth more than 4.2 billion rupees (76 million dollars), making it the country's biggest corporate take-over.

"The availability of local liquidity and low interest rates are encouraging people to buy out companies," said ABN Amro research head Arshad Arif.

He said the process would pick up during the next fiscal year after new takeover laws proposed by the government of military ruler General Pervez Musharraf were fully implemented.

Pakistan's five-month-old military regime is expected to loosen regulations governing mergers and acquisitions.

Analysts believe last week's private sector merger has set an example for other corporate entities and various sectors of the economy, especially the much-fragmented financial sector.

"With the announcement of new proposed laws, merger activity will certainly increase," said financial expert Mansoor Ali of Jehangir Siddiqui and Co.

He said Pakistan's financial sector would have to opt for mergers or risk facing banking collapses.

"Pakistani banks are operating with low capital base if viewed in dollar-terms," Ali said, adding the country's financial managers are stressing capital adequacy to meet global challenges.

Pakistan's largest state-owned bank — National Bank of Pakistan — has a total capital base of only 17 billion rupees or 326 million dollars.

Pakistan's central bank chief Ishrat Husain on Saturday urged small banks to merge, saying they ran the risk of failure and collapse if they did not act.

Husain said the current number of financial institutions, their functions and capital bases, were neither proving efficient as a domestic industry nor boosting Pakistan's position in global financial markets.

According to central bank figures, Pakistan has 25 domestic commercial banks, 20 foreign-owned banks, 10 development finance institutions, 16 investment banks and 32 leasing companies.

The paid up capital of all these institutions comes to less than 94 billion rupees (1.8 billion dollars), equivalent to only 2.8 per cent of the country's gross domestic product (GDP).

Husain said Pakistan's financial sector was much too fragmented.

Analysts said although mergers can cause job losses, they did not believe large-scale mergers would cause any significant harm.

Job losses would be minimised due to the low level of mechanisation in Pakistan, adding the process would only result in the losses of some high-level posts.

He said large banks were ready to provide financing to help companies wishing to buy out other firms.

Finance Minister S A M S Kibria speaks at a seminar on the effect of smuggling on economy organised by NBR at its conference room in the city yesterday. — Star photo

China plans to bring nation online

BEIJING, Mar 29: China plans a campaign to bring industries, government offices and households online as part of a strategy to make the Internet a more powerful engine for economic growth, reports AP.

Ministry of Information Industry Wu Jichuan told a conference in Beijing that his agency intends to "rejuvenate" the digital electronics sector and do more to promote communications and software businesses, the official newspaper China Daily reported Wednesday.

With the information industry growing at an annual rate of 20 per cent — almost three times the 7 per cent growth rate of the overall economy — China needs to readjust its economic structure to take advantage of that dynamism, it cited Wu as saying.

At the same time, China is struggling to set up a regulatory system and laws to govern the fast-growing industry: The number of Internet users in China has been doubling every six months for the past two years, rising to 8.9 million people by the end of 1999.

Courts are handling a growing number of cases involving disputes over the Internet, such as copyright infringements and plagiarism of homepages, the newspaper said in a separate report. In one typical case, six prominent authors sued a Web site for publishing their novels without authorisation.

The report noted that Web-related cases were a "headache" for the courts because there are no concrete statutes on Internet use.

The push to bring the country online also has been hampered by a lack of financing and support for Internet-related companies, as well as the government's own ambivalence over the hard-to-control industry.

At a time when major portals are looking overseas for the financing they have trouble raising back home, regulators are enforcing more strictly than before rules against foreign investment in Internet firms.

Minister Wu told the same conference that domestic Internet companies would be required to spin off all assets and operations related to content services in order to list overseas, a ministry official said.

The official, who spoke on condition of anonymity, declined to elaborate.

But the official newspaper China Securities News noted that Wu hinted that China might change those restrictions once it gains membership in the World Trade Organisation.

Wu did not specify how the policy would affect Internet companies incorporated abroad but with considerable assets and operations in China.

This week, two of China's most popular Internet companies officially announced plans for selling shares on the Nasdaq stock market. Another, US-registered Sohu.com, filed documents for a Nasdaq listing with the US Securities and Exchange Commission

Japanese, ROK beef banned

S'pore, Tokyo, Taipei fear foot-and-mouth disease

SINGAPORE, Mar 29: Singapore has suspended imports of beef from Japan amid fears of a foot-and-mouth disease outbreak among cattle there, officials said today, reports AFP.

The Primary Production Department (PPD) said the suspension of Japanese beef imports was "with immediate effect," but that the temporary ban "will have no impact on the supply of beef in Singapore."

"Beef available for sale in Singapore in safe for consumption," it said.

Singapore imports only Kobe beef from Japan, amounting to 500 kilograms (1,100 pounds) each month, it added.

Singapore imports 16,500 tonnes of beef worth 77.2 million Singapore dollars (45.1 million US) each year from countries that have been approved to export beef to the island-state, the PPD said.

Foot-and-mouth disease, caused by a virus, is a serious animal disease affecting cloven-hoof animals in the form of blisters and spreads quickly among the animals through contaminated infected livestock and contact with the affected animal, the PPD said.

However, the disease virus does not infect humans, it added.

Japan's agriculture ministry has reportedly ordered the slaughter of cattle believed to be infected with foot-and-mouth disease in the southernmost island of Kyushu.

In Seoul, South Korea's agriculture ministry has also said that the blister-causing disease was reported on dairy farms in its Paju county.

The disease "causes serious economic losses to the farmers. Livestock and products from the affected country will not be accepted by importing countries because of the highly contagious nature of the disease," the PPD said.

Report from Seoul: Japan and Taiwan have slapped bans on South Korean beef and pork after a suspected outbreak of foot and mouth disease on dairy farms in the country's north, officials here said today.