

New chairman, MD of Lever Brothers Bangladesh



Sanjiv Soshil Mehta has taken over as Chairman and Managing Director of Lever Brothers Bangladesh Ltd, a subsidiary of Unilever, says a press release.

He replaced Jean Alfonsi, who has been appointed National Manager of Unilever's operations in Portugal.

Mehta, a chartered accountant, started his career with the American Multinational Union Carbide.

In 1992, he joined Unilever as Commercial Manager of Unilever Arabia based in Dubai. He worked as Group Commercial Manager and Commercial Head of Home and Personal Care business before being transferred in Dec '98 to Lever Brothers in Bangladesh as the Commercial Director.

GlaxoSmithKline closes India's Bombay plant

AFP, Bombay

India's leading drug maker GlaxoSmithKline India Ltd has closed its Bombay plant with the loss of around 620 jobs, a company official told AFP Thursday.

Around 400 plant workers and more than 200 managers and administrators were laid off, with the redundancies costing the company about 15.5 million dollars, said the official, who declined to be named.

Manufacturing activity at the Bombay plant has now stopped and the company is meeting its requirements from its other plant in the state of Maharashtra or through contract agreements.

GlaxoSmithKline has tied up with various local small and medium-sized drug companies to produce some of its drugs on a contract basis as part of a restructuring exercise after the merger of Glaxo and SmithKline Pharmaceuticals last year.

"The Bombay plant was also the costliest production centre for the company," the official said.

He said the merged company was now focussing on product integration and strengthening distribution networks.

SmithKline Beecham Plc's other Indian unit, SmithKline Beecham Consumer Healthcare Ltd, operates as a separate company in India.

Lever Brothers, DHL to use GP fibre optic network

Lever Brothers Bangladesh Ltd and DHL Worldwide Express recently opted for using the fibre optic network of GrameenPhone, leased from Bangladesh Railway, for inter-city data transfer, says a press release.

A tripartite agreement was signed between GrameenPhone Ltd (GP), Ranks-ITT Ltd and DHL Worldwide at the GP Head Office in Gulshan recently. A similar agreement was also signed with Lever Brothers Bangladesh Ltd. Ranks ITT is the authorised dealer to sell the fibre optic network capacity of GrameenPhone.

Ola Ree, Managing Director of GrameenPhone, Faziye Selim, MD of Ranks ITT, Desmond Quiah, Country Manager of DHL, and Faizur Rahman, Infrastructure Manager of Lever Brothers, signed the agreements on behalf of their respective organisations. Nasiruddin Ahmed, CSTE-Telecom of Bangladesh Railway, was also present on the occasion.

According to the agreements, DHL and Lever Brothers will now be able to transfer data between their offices located at Dhaka and Chittagong.

These agreements were executed for a tenure of three years each which may be mutually extended, subsequently. BR will get 30 per cent of the total revenue earned out of this sub-lease contract.

Finance Ministry convenes meeting for a possible bailout plan for frozen foods

RAFIQ HASAN

The finance ministry has convened a meeting of all the managing directors of the state-owned commercial banks next week to discuss a possible bailout plan for the cash strapped frozen food exporters, who have been hit hard by the global economic recession.

The meeting comes in the wake of a suggestion from the commerce ministry, which said the country may lose heavily in export earnings from the frozen food sector unless it is provided with financial assistance.

There has been sharp fall in frozen food prices in international market amid global economic crisis.

"Financial assistance has become necessary for the greater interest of the nation as it will be very difficult to recover markets once it is lost," Commerce Minister Amir Khosru Mahmud Chowdhury recently said in a letter to Finance Minister M Saifur Rahman.

The minister said the government may consider partial interest waiver against bank loans provided to the factories which are in operation for the last three years.

The banks can shift a portion of their loans to blocked accounts and increase the commercial credit (CC) limit of the frozen food exporters, the

minister said.

"In case the processing units which have been sick over the years, the government should take up separate arrangement," Khosru said.

The commerce minister observed the prices of the shrimp in the international market fell by 30 to 40 per cent last year mainly due to global economic crisis.

Following the letter, the finance ministry has convened a meeting of all the managing directors of the state-owned commercial banks to discuss the bailout package.

Earlier, the frozen food exporters demanded shifting of at least 40 per cent of loan to interest-free blocked accounts and another 40 per cent to the exporters for meeting the liquidity crisis and continuation of export. Regarding the amount to be transferred in the blocked account, the association said it could be realised through 28 installments over a period of seven years.

The prices of frozen foods, mainly shrimp, has been on the decline since last year and the crisis deepened following the terrorist attacks on World Trade Centre in the US.

The exporters said many frozen food processing units have already been

closed down following the crisis and a number of factories are on the verge of closure.

"The only way to save the exporters is to provide financial assistance," said Salahuddin Ahmed, President of Bangladesh Frozen Food Exporters Association (BFFEA).

According to him, the government can take the initiative and banks will also be benefited as there is handsome amount money lying idle with the banks.

He said US\$ 390 million frozen food export target appears bleak unless government comes up with assistance, Ahmed said. "Otherwise, a number of processing units will face closure due to liquidity crisis."

Former president of the BFFEA Golam Mostafa said the government had allowed similar interest waiver and transfer of interest to blocked accounts following crisis in '97-'98, he recalled.

He said the government has to act fast otherwise the exporters would miss the peak season for collecting shrimp from the field level.

According to available statistics, the export earnings from frozen food fell US\$ 50.95 million dollars short of target in the first seven months of the current fiscal. The sector generated only US\$ 176.55 million during the period against a target of 227.50 million.

BTRC halts BTTB attempt to up ISPs' line rent

MUSTAK HOSSAIN

The Bangladesh Telecom Regulatory Commission (BTRC) has stalled an attempt to increase the monthly phone line rent for the Internet service providers (ISPs).

Earlier, the Bangladesh Telegraph and Telephone Board (BTTB) had increased the monthly line rent for the ISPs from Tk 150 to Tk 1,000 in February.

"The BTRC has asked the BTTB not to collect the increased line rent," BTRC Chairman Syed Margub Morshed told The Daily Star.

He said the Commission is now reviewing the issue after the ISP Association (ISPA) lodged a formal complaint against the BTTB, seeking remedy against the increased line rent. ISPs will not be required to

pay the increased rate until the BTRC takes a decision in this regard, he said.

When contacted, BTTB Chairman SATM Badrul Haque said the BTTB has received a directive from the BTRC not to implement the increased line rent until further directive.

The BTTB increased the monthly line rent for the ISPs without prior permission from the BTRC, the telecom regulatory body.

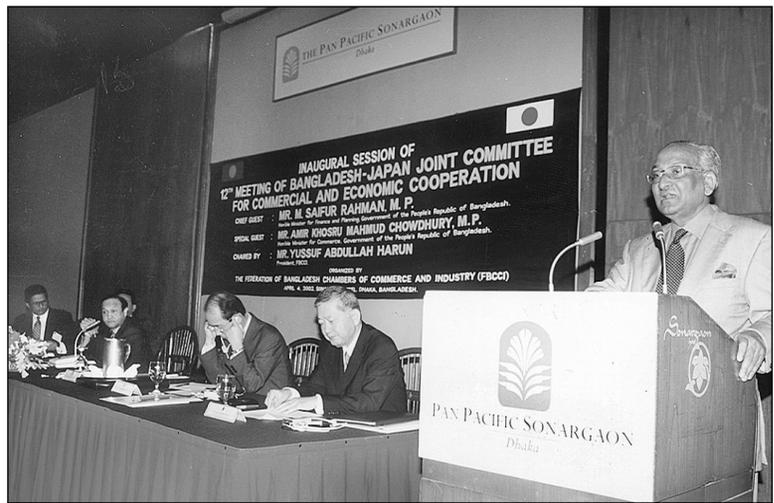
The ISPA went to the BTRC as part of a plan to file a case against the Ministry of Post and Telecommunications and the BTTB to overturn the decision to increase monthly line rent for the ISPs.

In its first move, it lodged a 'demand of justice' with the secretaries of the Ministry of Post and Telecommunications (MOPT),

Ministry of Finance and Chairman of the BTTB seeking a remedy against the 'irrational' line rent hike.

Akhteruzzaman Manju, President of the ISPA, said it was impossible for them to continue business with such an "irrational rent hike". On the other hand, the BTTB is subsidising its own Internet service, he alleged.

ISPA leaders said the BTTB had already lowered the charge for its Internet service at the expense of the taxpayers' money. The BTTB, they said, does not have to pay for its licence, monthly line rent and demand note charges. On the other hand, the ISPs have to pay all the charges, they added. The ISP leaders demanded a level-playing field in the Internet business for both the private and public sectors.



Finance and Planning Minister Saifur Rahman speaks at the opening session of 12th meeting of Bangladesh-Japan Joint Committee for Commercial and Economic Cooperation held at a city hotel yesterday.

Microsoft President Rick Belluzzo resigns

AP, Seattle

Microsoft Corp president and chief operating officer Rick Belluzzo unexpectedly resigned after just over a year in the job, and Microsoft said it would eliminate his position.

The software giant also announced a restructuring plan on Wednesday that it said would give its main business units more autonomy.

Analysts speculated that the restructuring was related to Belluzzo's resignation because it transferred many of his responsibilities to the company's seven major business units.

Belluzzo, a longtime computer and software industry executive, said he planned to start his own company.

He joined Microsoft in September 1999 and held several senior positions before being promoted to his current position in February 2001.

Microsoft said in a statement Wednesday that Belluzzo would remain in his position until May, and would stay at the company until September to organise the transition.

Rob Enderle, an analyst with Giga Information Group, said many had assumed Belluzzo was being groomed to replace Chief Executive Steve Ballmer.

Pak textile industry picking up with US, EU orders

REUTERS, Karachi

Pakistan's key textile industry is showing signs of improvement with US and European orders picking up following a slump in the wake of the September 11 attacks on the United States, officials said Wednesday.

Industry officials said increased consumer confidence in the United States was a good omen for Pakistan's recession-hit textile industry.

"I think we are getting out of the slump," said Nadeem Maqbool, chairman of the All Pakistan Textile Mills Association (APTMA) which represents the industry.

"The US is getting out of recession. If the biggest buyer in the world starts buying, then the situation will obviously improve," he said.

A US government report said last month the economy grew at a revised 1.7 per cent annual rate in the fourth quarter of 2001, faster than the 1.4 per cent pace previously reported. US consumer sentiment vaulted in March to its highest level since December 2000 as job prospects and business conditions improved six months after the September 11 attacks.

Pakistan's textile industry, which accounted for more than half of the country's \$9.2 billion exports in the 2000/01 (July-June) fiscal year, saw orders slump as the US-led war on terror swept into neighbouring Afghanistan.

PDB contemplates mobilising fund from capital market to set up power plants

STAR BUSINESS REPORT

In the face of financial crisis, the Bangladesh Power Development Board is planning to mobilise fund from the capital market and international financial institutes for setting up of future power plants in the country.

Experts estimate the power demand in Bangladesh will double to 6,000-megawatt in the next five years. And at the same time, the PDB has to abandon some of the existing power units that generate around 500-megawatt electricity.

"So to cope with the future power demand we have to search for alternative source of finance," PDB Chairman Syed Abdul Mayeed said while talking to journalists at an opinion exchange programme yesterday.

He said if eight under construction power plants are not implemented immediately it will be a major set back for the country's power sector.

The chairman said the projects already received approval in the

Executive Committee for National Economic Council (ECNEC). The PDB wants the projects to be implemented immediately, he said.

Referring to major donors' reluctance to finance power projects, Abdul Mayeed said the situation has led the PDB to thinking for alternative source of finance to implement the projects, designed to meet the growing demand for electricity.

The PDB chairman disclosed they have plans to form joint venture companies and mobilise fund from the capital market. "We have already talked to Investment Corporation of Bangladesh (ICB) who responded positively," he said.

"At present PDB's power generating units have capacity to generate 3200 MW. As per the projection of PDB by June 2007, the demand for power will shoot up to 6071 MW," the chairman said.

He said the PDB has to abandon a number of old and inefficient power plants during the next five years which will increase the total demand to at

least 3500 MW power by 2007. "To meet such demand we will need around Tk 14000 crore," he said.

Regarding joint venture initiative, the chairman said Russia, India and another European country have expressed their interest to set up joint venture power generation companies in Bangladesh.

Replying to questions, he said the Board has already shared their plans with higher authorities.

The chairman also talked about PDB's dues with various organisations. "PDB's outstanding bills stand at Tk 5769.32 crore, of which only Dhaka Electric Supply Authority (DESA) owes PDB Tk 4439.86 crores.

Among others, Member (Distribution) Rahmatul Bari, Director-Public Relations ASM Bazlul Haque and other high officials of BPDB were present during the opinion exchange programme.

Khaleeda urges Japan to invest in IT, agri sectors

UNB, Dhaka

Prime Minister Khaleeda Zia has offered Japanese entrepreneurs facilities for investing under 100 per cent ownership in Bangladesh as vast scope for business is opening up here in the private sector.

She told a Japanese business delegation that open tender would be called for offloading mills and factories wherein foreign investors can also participate.

Her offer came when the visiting 10-member delegation of the Japan-Bangladesh Joint Committee for Commercial and

Economic Cooperation called on the PM at the International Conference Centre in the city yesterday.

Explaining her government's investment-friendly policies, Khaleeda urged Japan to invest here especially in IT and agriculture sectors availing of the facilities being offered by the government.

Appreciating Japan's contribution for Bangladesh as a major donor and development partner, she said her government "put stress on expansion of trade and commerce, not aid alone, for generating employment as well as enhancing

economic growth."

The Prime Minister apprised the delegation of her government's determination to maintain the sound investment environment for encouraging investors to invest here for good returns on their capital.

Welcoming them for setting up private EPZ, she further informed the Japanese businessmen that top priority had been given to IT sector, agro-based industry and light engineering products in which the foreign investors could invest as those have demand both on local and international market.

The delegation, led by Seizo Kano, advisor for Itochu Corporation, appreciated the present government as "business-friendly" and hoped that the volume of foreign investment would increase here.

Commerce Minister Amir Khasru Mahmud Chowdhury, State Minister for Commerce Barkatullah Bulu, Principal Secretary Dr Kamal Siddiqui and Japanese Ambassador in Dhaka Jiro Kobayashi were present in the meeting.



Officials of GrameenPhone, Ranks-ITT, DHL Worldwide and Lever Brothers Bangladesh Ltd sign agreements at the GP Head Office in the city recently. Under the agreements, DHL and Lever Brothers will use the fibre optic network of GrameenPhone for data transmission.

Lanka tea prices fall

REUTERS, Colombo

Sri Lanka tea prices fell at Wednesday's weekly auction on weaker high grown teas.

The anticipated gross sales average was 155 rupees per kg against 157.71 rupees per kg last week.

"A few select Westerns in the best category sold around last levels whilst the others declined by an average five rupees per kilo," a statement from Forbes and Walker Tea Brokers said, referring to BOP teas.