

Square Hospital comes into being early next year

STAR BUSINESS REPORT

An integrated hospital of international standard managed by reputed Bumrungrad Hospital of Thailand comes into operation early next year in Dhaka.

Square Group has taken up the 300-bed hospital venture, 'Square Hospital Limited', at a cost of \$40 million in what will be the major private sector investment in healthcare services in Bangladesh.

Set on Panthapath Road, the hospital will introduce 'health service shopping mall' concept, which means providing all healthcare services under one roof. The hospital will offer specialised clinic and diagnostic services and physiotherapy centre for outdoor patients.

"The hospital will bring in new dimension to healthcare service of Bangladesh," Managing Director of Square Pharmaceuticals Ltd. Tapan Chowdhury said yesterday on the occasion of the visit of the mission heads in Bangladesh to its Kaliakoir plant in Gazipur.

"The management of Bumrungrad Hospital will take the service of the hospital to new heights," Chowdhury said. He believes people will no longer be needing to go abroad for treatment as its service and facilities will be at par with other reputed hospitals in the region.

The hospital will have 10 major operating rooms, two cardiac operating rooms, two cardiac catheterisation units, caesarian section rooms, two minor surgery rooms, women birthing centre, automated clinical laboratory, 24-hour trauma and ambulance, helipad transfer facilities and three-floor car parking facility, said Michael Hall, director (Operations) of Square Hospital project.

Staffed with overseas and local experts, the hospital will have a database of medical record and an information system supplied by Microsoft.

Japan's lower house passes \$738b budget for FY 2004

AFP, Tokyo

Japan's powerful lower house on Friday passed a 738 billion dollar draft budget for the fiscal year from April, with rising social security and debt-servicing costs pushing up planned bond issues to a record high.

The national budget for the year to March 2005 will total 82.11 trillion yen (738 billion dollars), up 0.4 percent from the initial budget for the current fiscal year.

"The lower house passed next year's budget bill this afternoon with the support of the ruling coalition and sent it to the upper house immediately," a lower house official said.

The bill automatically becomes law in 30 days even if the upper house fails to approve it.

It calls for government borrowing to rise 0.4 percent to 36.59 trillion yen, or 44.6 percent of spending, topping the previous record hit this year.

The budget is based on the government's forecast of 1.8 percent economic growth, down slightly from the 2.0 percent expected for the current fiscal year.

Japan plans to turn its "primary balance" -- under which expenditures are covered by revenues -- to a surplus from deficit early next decade. Japan has run a fiscal deficit since 1993 as the economy stagnated.

New branch manager, AVP of Habib Bank



M u h a m m a d Zahidul Islam has been promoted to the post of branch manager and assistant vice-president (AVP) of Habib Bank Limited, Dhaka branch.

Prior to this position, he was serving as risk manager of the bank, says a press release.

Islam is the first local AVP of the bank since its inception in Bangladesh in 1976.

He obtained M Com degree in Accounting from Dhaka University and MBA degree from Lahore University of Management (LUMS).

Square Pharma eyes bigger export slice

Foreign envoys visit its state-of-the-art Kaliakoir plant

STAR BUSINESS REPORT

Square Pharmaceuticals Limited has set its sight on broadening its export market after its new plant in Kaliakoir, Gazipur got the nod of US and UK authorities in terms of meeting their standards.

The state-of-the-art pharmaceutical plant has been built in line with US FDA (Food and Drug Administration) and UK MHRA (Medicines and Healthcare Products Regulatory Authority) standards.

The foreign mission heads of different countries in Bangladesh, on invitation of the company, yesterday visited the plant and appreciated its sanitary and phyto-sanitary standard. The company splashed around Tk 225 crore to set up the new plant and is constructing a dedicated cephalosporin project with an additional investment of \$14 million.

US Ambassador Harry K Thomas, who was also invited to see around the plant, said, "It is a state-of-the-art pharmaceutical plant and Bangladesh can feel proud of it."

The Unicef also rates the plant highly, he said. Square Pharmaceuticals, which started its journey way back in 1958, is one of the bulk suppliers to the Unicef.

Head of Delegation of the

European Commission in Bangladesh Ambassador Esko Kenttenskjy was also impressed by the facilities and standards of the new plant.

"It proves that Bangladesh has the capacity of medicine export and trade," he said.

The sales turnover of the pharmaceutical companies stood at more than Tk 400 crore with about 14 percent domestic market share between April 2001 and March 2002 and the industry grew at a rate of about 23 percent.

Local pharmaceutical companies' exports to some 56 countries total nearly \$40 million and meet 95 percent of the domestic demand.

Briefing a group of journalists, Tapan Chowdhury, managing director of Square Pharmaceuticals, said, "We have invited the foreign diplomats to inform them about the facilities available here so that any foreign entrepreneurs can get information through their respective embassies about joint venture or contract manufacturing."

He said the sector has tremendous possibilities in foreign markets adding that Square Pharmaceuticals is the only company in Bangladesh to supply medicine to the Unicef.

Having started exporting its products first to UK and Singapore in 1987, it now exports to several

European, African and even Asian countries including Russia, Sri Lanka, Papua New Guinea, Ethiopia, Ukraine, Pakistan, Myanmar, Nepal and Yemen.

Besides these countries, Square Pharmaceuticals is now in the process of having its products registered in Cambodia, the Philippines, Sierra Leone, Mozambique, Nigeria, Eritrea, Malaysia and Tanzania, said an official of the company.

The other ambassadors and high commissioners who visited the new plant in Gazipur yesterday are Sri Lankan High Commissioner Gamani S Munasinghe, Italian Ambassador Pietro Ballero, Bhutanese Ambassador Dasho Jigme Tshultim and Counsellor (trade) Choni Dendup, Indonesian Embassy's Second Secretary Adik Panitro and Counsellor Totok Priyanto, Philippines Embassy's Finance Officer and Attaché Mary Anne O Oller, its Cultural Officer and Attaché Adela S Bacig.

They also went round the power generation, water treatment, engineering, production and quality assurance facilities of the plant.

US jobless claims drop, productivity up

AP, Washington

The number of people filing new applications for unemployment benefits dropped last week, a sign that companies may be feeling better about the economic recovery's durability and less inclined to lay off workers.

The Labor Department reported Thursday that for the work week ending Feb. 28 new filings for jobless benefits declined by a seasonally adjusted 7,000 to 345,000, the lowest level in two weeks. The decline was a bit steeper than the decrease of 5,000 that some analysts were forecasting.

Another report from the department said the productivity of American workers grew at a modest 2.6 percent annual rate in the final three months of 2003, according to revised figures. The new figure, which matched economists' expectations, was slightly slower than the 2.7 percent pace first estimated a month ago.

Productivity measures the amount a worker produces for each hour on the job. For all of 2003, productivity grew by a solid 4.4 percent, following a 5 percent increase for 2002.

Although the fourth-quarter's performance marked a slowdown from a sizable 9.5 percent growth rate in the previous quarter, it still represented a respectable pace that bodes well for the economic recovery.

On Wall Street, the Dow Jones industrials dipped 5.11 points to close at 10,588.

In other economic news, many big retailers reported February sales above expectations, particularly at clothing stores including Limited Brands, Talbots and J.C. Penney Co. Inc. The strong results followed a robust January performance and signaled to analysts that consumers continue to be feel good about spending.

No SEC indication of legal action: Shell

REUTERS, London

The new boss of Royal Dutch Shell Group said on Friday the US Securities and Exchange Commission (SEC) had not indicated it would take legal action over the oil giant's shock downgrade of reserves.

Shell had shocked investors on January 9 when it downgraded 20 percent of its proved oil and gas reserves into categories with less certainty of commercial viability, hitting its shares and leading to investor demands for management changes.

Asked by reporters on a conference call if US regulator the SEC had given any indication that it was going to take action, Chairman Jeroen van der Veer said, "No."

But he said Shell had held talks with the SEC and exchanged clarification letters since the regulator announced on February 19 it had launched a formal investigation into the downgrade by which Shell reclassified 3.9 billion barrels of oil equivalent.

The shock downgrade led to Wednesday's sacking of Chairman Phil Watts as well as oil and gas chief Walter van de Vijver.

Van der Veer said that Watts left "because the boards lost confidence ... in connection with the whole reserves issue. We can't go into details. Pressed to say whether they had done anything illegal, he would only say that the company's internal investigations were continuing."

The new chairman said the group had seen 40 to 50 percent of shareholders for both the British and Dutch arms and had taken on board their views about changes to its much-criticized management structure.

"We made a change this week ... that was the wish of some shareholders," he said in a reference to the appointment of the first-ever non-executive chairman to the UK arm of the business, Shell Transport & Trading Plc, on Wednesday.

Shares in London-listed Shell were down 0.5 percent at 379 pence while those in Amsterdam-listed Royal Dutch were off 1.1 percent at 40.67 euros.

Van der Veer also took the opportunity to confirm the oil giant's existing financial plans, and that dividend payouts and investment remained the top priority above share buybacks.

Dell to step down as computer giant's CEO

AP, Dallas

After a 20-year run that has taken him from a student dormitory at the University of Texas to the list of the richest Americans, Michael Dell is stepping down as chief executive of the computer company bearing his name.

Dell Inc. announced Thursday that its 39-year-old founder would remain chairman but give up the CEO title to president and chief operating officer Kevin Rollins when shareholders meet July 16.

Analysts said they expected few changes at Dell, one of the world's most successful computer companies, even during a recession and technology slump that decimated profits at many of its rivals.

The timing of the move, however, caught analysts off guard. Dell, who became one of the richest men in America as his company grew, had given no strong signals he would step away from the CEO's duties.

Fuel and power cos pay rich dividend in 2003

STAR BUSINESS REPORT

The fuel and power companies, among the listed companies, showed their sound financial position paying the highest 54.44 percent dividend on average in 2003.

Five companies under this category -- BOC Bangladesh, Padma Oil Co, Eastern Lubricants, National Oxygen and Bd Welding Electrodes -- also improved their position from 2002 when they paid 29.97 percent average dividend.

BOC Bangladesh paid 100 percent, Padma Oil 50 percent and Eastern Lubricants 25 percent dividend to their shareholders last year.

A total of 41 companies under food and allied products category paid 24.21 percent average dividend in 2003, slightly down from 25.7 percent in 2002.

In 2003, amount of dividends of banks, investment,

pharmaceuticals, paper and printing, cement, ceramic, insurance and miscellaneous sector showed decline from the previous year.

Average dividend of engineering sector companies was 19.38 percent against 18.71 percent in 2002 while pharmaceuticals paid 18.58 percent against 20.71 percent in 2002 and insurance companies 18.16 percent against 18.34 percent in 2002.

There are 247 listed companies in Dhaka Stock Exchange along with 11 mutual fund and debentures. Out of them 154 companies declared dividend in 2003. Weighted average dividend of all listed companies and mutual funds stood at 6.76 percent which decreased by 50 percent from 13.5 percent in 2002.

Out of the 154 companies 46 declared dividend less than 10 percent, 72 companies between 10 percent and 20 percent, 14 compa-

nies declared dividend between 21 percent and 30 percent, 16 companies between 31 percent and 50 percent while six companies declared dividend more than 50 percent in 2003.

In 2003, 18 companies of different sectors offered bonus share worth Tk 77 crore while six banks issued rights share amounting to Tk 244.88 crore.

A capital market analyst said though apart from fuel and power and engineering sector companies average dividend of all other listed companies marked decline, it is good sign that number of companies declaring dividend increased in 2003.

It is major improvement of performance that 108 companies declared dividend over 10 percent, he said.

Strike, corruption major barriers to wooing FDI in Bangladesh

Japan, Korea, Taiwan investors tell FBCCI delegation

UNB, Dhaka

While cheap workforce is the key factor favouring Bangladesh to have foreign investment, investors abroad identified strike, political links of workers, inconsistent government policy and corruption as the major barriers to FDI.

This was the message conveyed by entrepreneurs and top trade officials in Japan, South Korea and Taiwan when a Bangladesh business delegation led by FBCCI President Abdul Awal Minto visited the countries in the past two weeks.

Japanese businessmen and officials were more forthright in their observations while Koreans indirectly mentioned the barriers. Taiwan, now trying to establish trade relation with Bangladesh, cited the positive factors, but unofficially referred to the impediments.

Executive Chairman of Board of Investment (BoI) Mahmudur Rahman, who on special invitation attended the daylong meeting of Japan Bangladesh Joint Committee for Commercial and Economic Cooperation (JBCECC) in Tokyo, had to face a volley of questions from the Japanese investors.

Japanese investment in

Bangladesh ranks 9th with 3 percent of FDI in Bangladesh. So far, 111 projects with 100 percent Japanese investment or joint venture between Bangladesh and Japanese companies have been registered with the BoI.

Apart from political instability, the Japanese investors wondered about the reported government bid to allow trade union inside export processing zones (EPZ). They also mentioned that Bangladesh's labour unions were in fact front organisations of the political parties.

Top Japanese officials also observed that inconsistent government policy was the biggest impediment. They included JETRO President Hiroshi Tsukamoto, JBIC senior Executive Director Shigeru Nozaki and JICA Vice President Sumida Eiryo.

Korean Deputy Minister for Trade and Investment Bong-Kyu Park called for removing unnecessary regulations for FDI. As the investors in Japan and Taiwan, he also said Bangladesh could be a good destination for FDI after China and Vietnam if the environment is ensured.

About 70 Korean companies, mainly fabric sewing clusters, invested a total of \$ 305 million in Bangladesh, creating some 100,000

jobs. Korea ranks the highest in EPZ, occupying 34 percent of market share among 21 countries.

In the last leg of the trip, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) delegation visited Taipei, where they had talks with government officials and took part in the meeting of Taiwan-Bangladesh Joint Business Council.

Referring to 75 percent of China's export items produced by the Taiwanese investors, the Taipei investors and officials said Bangladesh has the potential to receive Taiwanese investment. They mentioned that 70,000 Taiwanese investors made investment in Mainland China.

Now, nine Taiwanese companies are active in the EPZs in Bangladesh. And they identified seven potential sectors for more investment -- textile, leather, food and agro-processing, chemical, ICT, ceramic and steel. Unofficially, they also reminded the imperative of a congenial atmosphere to attract more investment.



Commerce Minister Amir Khosru Mahmud Chowdhury receives a crest from President of Association of Cargo Agents of Bangladesh (ACAB) and newly elected SAFFFA Secretary General Saifur Rahman at the inaugural ceremony of the fourth annual general meeting of South Asia Federation of Freight Forwarders Association (SAFFFA) in Dhaka recently. Outgoing President of SAFFFA Srinivasan is also seen.

Dhaka to export sugar to France this year

UNB, Dhaka

Bangladesh will export 9,000 tonnes of sugar to France this year under a quota available from the European Union to the least developing countries.

Commerce Minister Amir Khosru Mahmud Chowdhury while meeting EC officials in Brussels said on Wednesday that Bangladesh would avail of the share of EU quota to LDCs and export 9,000 tonnes of sugar this year.

Khosru and trade ministers from Sudan, Malawi, Mozambique and Ethiopia presented a fresh proposal to EC Trade Commissioner Pascal Lamy and Agriculture Commissioner Franz Fischler, said an official message.

The proposals are to safeguard their current and future access to the European sugar market. The

three main tenets of the proposal are postponement of the process of tariff liberalisation until 2016 instead of 2009, granting of second quota of 4,66,000 tonnes with a 15 percent annual growth and continuation of the present remunerative price.

If the proposals are accepted, Bangladesh will have an additional quota of between 25,000 to 40,000 tonnes for exporting white sugar to EU member states in 2004-05. The quota will grow at 15 percent annually until 2013. And while the international price of sugar is dampened, EU offers a remunerative price that would greatly help the sugar industry of the LDCs.

Khosru assured the EC officials that Bangladesh would be able to produce additional sugar by utilising the capacity available at the existing 17 sugar mills in the country.

He and other LDC ministers emphasised that sugar has the greatest potential of all agricultural commodities benefiting from the EBA initiative. Sugar being a highly labour intensive industry, profusely contributes to employment generation and poverty alleviation.

Pascal Lamy assured the ministers that EC would seriously look into the proposals while trying to find out an optimum solution to the problems.

The LDC ministers found their proposals in line with the position of the civil society and Oxfam, a noted NGO. Oxfam is in favour of channelling the advantage of the EU sugar regime to the poor farmers of LDCs. It proposes granting greater preferential access of the LDCs to the EU sugar market.

Japan, Mexico end free trade talks without breakthrough

AFP, Tokyo

Japan and Mexico ended 10 days of talks aimed at securing a bilateral free trade agreement (FTA) Friday without a breakthrough due to nagging differences about import quotas, an official said.

"The two sides could not narrow their differences, but we will make our utmost efforts to do so," a foreign ministry official said after the end of the working level talks in Tokyo between Japanese and Mexican officials.

The two countries only agreed to

continue FTA negotiations, but the official said the end of March deadline, proposed by Mexico, was not shared by Japan.

"We are not setting a specific deadline for negotiations," he said, adding there was no date set for next round of FTA talks.

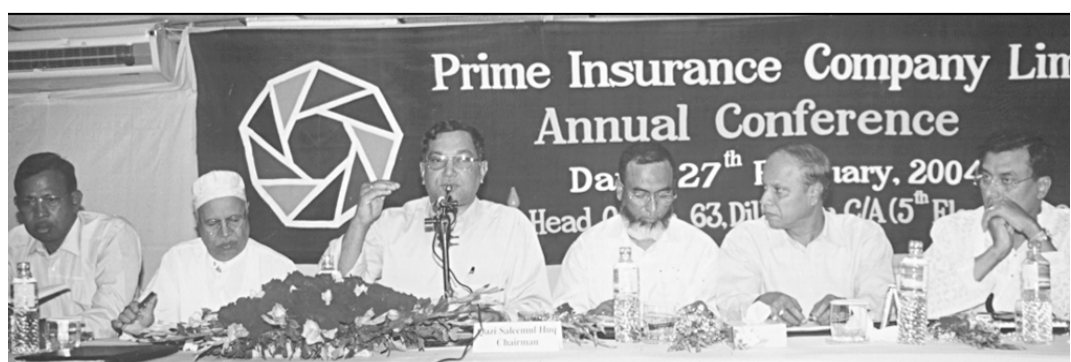
Japan and Mexico were supposed to conclude an FTA when Mexican President Vicente Fox came to Tokyo in October last year. But the deal got bogged down due to Japanese import quotas for pork and orange juice from Mexico.

For Japan, Mexico is the fourth

largest pork exporter after the United States, Canada and Denmark with some 38,000-40,000 tons of pork every year.

Japan had proposed expanding the low-tariff import quota up to 80,000 tons during the FTA negotiations, but Mexico expected further leeway.

Japan imported just 1,526 tons of orange juice from Mexico in 2003. Mexico has already rejected Japan's proposal for bringing the low-tariff import quota up to 6,500 tons of orange juice.



Qazi Saleemul Haq, chairman of Prime Insurance Company Limited, speaks at the annual sales conference of the company held in Dhaka recently. Managing Director M Hashmat Ali and Directors Shahadat Hossain, Shah M Hasan, Shah Alam and Aynul Haque were present.