

15 MAY 1997

SAFIRE PHARMACEUTICALS AIMING FOR SECOND BOARD LISTING

By: Michael Raj

SERI ISKANDAR, May 15 (Bernama) -- Safire Pharmaceuticals (M) Sdn Bhd, a wholly-owned bumiputera pharmaceutical products manufacturer, does not rule out a listing on the second board in the long term.

Its Managing Director, Dr. Safri bin Nawawi, said the company was aiming to be a major player in the highly potential and fast growing pharmaceutical products manufacturing industry.

"We aim to do this by expanding our domestic market share from seven percent currently to 16 percent by the year 2000 of the industry now estimated at about one billion ringgit annually."

He said this to Bernama after the officiating of the company's new RM24 million plant at the 112-hectare pharmaceutical park here today by the Prime Minister Datuk Sri Dr. Mahathir Mohamad. Also present was Perak Menteri Besar Tan Sri Ramli Ngah Talib. The company's plant is located on a six-hectare site.

The company is 30 percent owned by Dr Safri and his wife, Dr Hamimah Idruss, while the remaining equity is held by the Perak State Economic Development Corporation (SEDC).

However, under a buy back arrangement, Perak SEDC will sell the stake back to the couple after a few years.

The company, formed 1983 with a plant in Segambut, Kuala Lumpur, produces 84 types of pharmaceutical products and has 180 workers.

He said the company is targetting a turnover of RM20 million this year, from RM12.5 million in 1996.

Dr Safri said there was a lot of potential for the company as only 30 percent of the pharmaceutical products market in Malaysia were controlled by locals whereas the remaining were dominated by foreign companies.

"We plan to produce 200 types of products including sterile eyedrops and injectables in two years," he said, adding that the injectables would most probably be on a joint venture with an American firm.

Presently, the company exports its products to Singapore and Brunei and hopes to tap the potential in Vietnam, Papua New Guinea, Myanmar, Fiji and the Middle East.

He said one way to increase the his company's market share and to penetrate overseas market was through strategic alliances with established foreign pharmaceutical product manufacturers.

To this end, he said the company today signed a joint venture agreement with Peter Black Toileteries & Cosmetic Pte Ltd of the United Kingdom.

Under the pact, Safire will hold a 70 percent equity while Peter Black the remaining 30 percent in the joint venture which will manufacture pharmaceutical products for the domestic, Asean and Asia Pacific markets.

Peter Black is the manufacturer for toileteries and cosmetics for Mark & Spencer of London.

"We hope to manufacture products for the Mark and Spencer outlet in Malaysia through this joint venture," he said, adding that a joint venture plant would be set up in Kuala Lumpur for this purpose.

The company also aims to offer franchising business opportunities to local companies, especially bumiputeras, by making available working capital by a finance company to distribute the company's products.

He said the company products were sold through retail outlets through the "East West Pharmacy" and "East West Shoppe" networks, adding that the company aimed to open 100 such pharmacies and "shoppes" by the year 2000.

-- BERNAMA
MR SHY