

# The BEXIMCO Story...

## WHAT IS BEXIMCO ?

Beximco stands for Bangladesh Export Import Co Ltd. which is the flagship-company of the Beximco Group. Beximco is engaged in diversified activities both in industrial manufacture and international trade. It is one of the largest private sector industrial group in the country. In 1990, the Group's turnover was Tk 6500 million. Total assets were Tk 2500 million and net worth was over Tk 500 million. Over 12,000 persons are employed by the Group both directly and indirectly. This makes the Group one of the largest private sector employer of the country.

## WHAT DOES BEXIMCO DO ?

Beximco's activities are organised into 5 operational Divisions and 3 Business Units. The spinning mills of the **Jute Division** are the largest manufacturer and exporter of jute yarn from Bangladesh. The Division is also engaged in export of raw jute and finished jute goods to various markets all over the world. Beximco's **Marine Food Division** is the biggest exporter of frozen shrimps and fish from Bangladesh. The Division also pioneered shrimp aqua culture in the country and is extensively involved in shrimp farming in the coastal areas. The main activity of the **Chemical Division** is the manufacture and distribution of pharmaceutical finished products and basic chemicals. Beximco pharmaceuticals ranks second in terms of sales in Bangladesh in the case of formulated products and is first in terms of sales on an overall basis including basic chemicals. The Division is also engaged in formulation and distribution of pesticides.

The **Textile Division** of the Group owns and manages one of the most modern textile spinning mills in the country with participation of international financial institutions including the Asian Development Bank. In a very short time it has established itself as a reliable supplier of high quality yarn both for the domestic and export market and its products are already market leaders. The Division is also setting up a polyester filament yarn manufacturing plant which is expected to go into production by end of this year. The Division's garment factory has been regularly increasing its export performance thereby making it among the top 10 quota holders in the industry.

Beximco's **Trading Division** handled over Tk 2170 million worth of exports which is 4% of the country's total export. The trading division pioneered the export of non-traditional items such as crushed bones, safety matches, electric cables, shrimps, diesel engine, etc. through the use of Special Trade Agreements (STAs) way back in 1972. Over the years STAs have become a very effective means for promoting non-traditional exports and also for entering into new markets. Under STAs a variety of products are imported and exported on self balancing basis.

On the basis of its export performance Beximco was recognised by the Government as an Export House and alongwith other export houses was permitted to enter into private STAs. Beximco's export performance under the private STAs was the highest among all export houses. Beximco exchanged commodities like industrial raw materials, sugar, salt, milk food, leather etc. with jute yarn, crushed bones, handicrafts, jute carpets, crust and finished of import under these STA's was financed by equivalent amount of exports. In addition to these activities, the Division also represents and markets the products of a number of internationally known companies such as Monsanto, Hoffman-La Roche, Dupont, IBM and Bayer.

The Group's **Business Units** are Beximco Computers, Beximco Engineering and Gammatech. Beximco is the largest private sector industrial investor in Bangladesh. This year alone Beximco is investing Taka 1200 million in setting up industries.

## WHAT IS BEXIMCO'S CONTRIBUTION TO THE NATIONAL ECONOMY AND TO SOCIETY ?

Beximco's contribution to the country's GDP in 1990 was around 0.35%. Beximco paid to the national exchequer in terms of customs duty, sales tax, excise and income tax a total of over Tk 750 million. Beximco avails of services from Public Sector organisations such as PDB, T&T etc. valued at a total of over Tk 100 million.

Its industrial activity also generates and supports both directly and indirectly linkage industries and services which provides additional employment and economic activity.

In recognition of its role as a corporate citizen, the Group's activity supports numerous educational, research, cultural, social, sports and other welfare-oriented organisations. It regularly sponsors scholarships, study tours, sports, cultural programmes and other events of socio-cultural importance.

In addition to the above Beximco is earning valuable foreign exchange for the country and generating much needed employment

## WHERE DOES BEXIMCO GET ITS FINANCING ?

Beximco's long term debt to net asset ratio (equity) is 50 : 50. The bulk of financing (apart from sponsors' own equity) Beximco is getting from international development financial institutions such as Asian Development Bank (US\$ 3.5 million), Commonwealth Development Corporation of UK (US\$ 7.5 million), DEG of Germany (DM 6.6 million), FMO of Netherlands (DFI 4.5 million) and from the national capital market (Taka 250 million). None of these investment required any intermediation or guarantees from the Government or Central Bank and were obtained on Beximco's own credit standing.

Beximco has over 30,000 ordinary shareholders and debenture holders in its public limited companies from amongst the Bangladesh general public.

## HOW DID IT START ?

The Group started in 1966, when late Mr. Fazlur Rahman of Shine Pukur, Dhaka and former Central Minister in the first Cabinet of Pakistan established a jute spinning mill (New Dhaka Industries Ltd). In that year he died in a road accident, before the mill went into production, and his son, the present Chairman, who was a student of Dhaka University at that time, took over the mill management. This jute spinning mill emerged as a pioneer in export of jute yarn. In 1972, Bangladesh Export Import Company was formed primarily to engage in export trade.

After the change in Government policy in 1976 allowing higher industrial investment by the Private Sector, in the period of 1976 to 1981 Beximco set up two jute spinning mills, a pharmaceutical manufacturing company, and an export oriented shrimp processing plant.

From 1982 till date Beximco has set up a garment factory, a textile spinning mill of 27360 spindles, a basic pharmaceuticals raw material plant, a pesticides formulation plant and an I.V. fluid plant.

None of these industries set up since 1982 have taken any loans from the Government Development Financial Institutions (BSB, BSRS, ICB etc.)

## WHAT IS BEXIMCO'S MAIN STRENGTH ?

Beximco's main strength is its people. Beximco employs professionals from all major disciplines. Beximco has on its payroll Engineers, ICMAs, FCAs, MBAs, Pharmacists, Chemists, Agronomists, Physicists, Marine Biologists, Textile Technologists, Jute Technologists, Computer Hardware Engineers, System Analysts, Programmers and Post-graduates and Graduates of various Bangladesh Universities. Beximco gives priority and attaches great emphasis on the development of human resources. As a significant amount of time for employee's career development planning at all levels. The Group also attaches great emphasis on training and last year alone over Tk 25 million was invested in training and development of human resources. It is "Beximco People" who are responsible for Beximco's success.

## WHAT IS BEXIMCO'S PHILOSOPHY ?

Simply stated, Beximco's philosophy is that each of our activities must benefit and add value to the common wealth of our society. Beximco firmly believes that in the final analysis the Group is accountable to each of the constituents with whom we interact, namely our employees, customers, suppliers, fellow citizens and shareholders. Beximco is continuously striving to use modern technology and management practices. Beximco wishes to build up a strong and enduring organisation which employs good business practices and delivers goods and services of the highest quality.

The quality of our goods and services are a tribute to the loyalty of our work force and to the people of Bangladesh.

## BEXIMCO AT A GLANCE

- Total goods and services produced by Beximco in 1990 amounted to 0.35% of country's GDP.
- In 1990 Beximco exported goods worth Tk. 2,170 million which was 4% of country's total export.
- Beximco employs over 12,000 people.
- In 1991 alone Beximco's total investment in new industries will amount to Tk. 1,200 million.
- In 1990 Beximco paid to the national exchequer Tk. 750 million by way of customs duty, excise, income tax etc.

# BEXIMCO

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