

## Agri Extn plans 5 HYV display plots in Tangail

KISHOREGANJ, May 3: District Agriculture Extension Department will set up five demonstration plots of High Yielding Variety jute in five upazilas of the district during the current season, reports UNB.

The plots will be set up to acquaint the jute growers with modern methods of cultivation.

One each of the demonstration plot will be set up in Karimganj, Hossainpur, Pakundia, Katladi and sadar upazilas of the district.

## Private exporters doubt effectiveness EPF may be raised by Tk 10 cr

The government is likely to allocate about Tk 10 crore to expand the Export Promotion Fund for invigorating export market exploration.

Official sources told UNB Sunday that raising the fund was necessary for carrying out export market exploration in the wake of swelling inflation and service charges.

There has been no increase in the fund, used for export market promotion and expansion, in the last three years.

Authorities have so far allocated Tk 5.7 crore since 1989-90 to the EPF.

Sources at the Finance Ministry hinted that about Tk 10 crore would be allocated a slump grant for activating the fund which had virtually become inoperative.

The proposed allocation will be used for market exploration and development, appointing foreign consultants for product improvement, providing training facilities for market-oriented products, sending technicians abroad for training, innovation of products suiting new markets and providing backup support to the exporters of electronic parts and vegetables.

Market exploration drive will be conducted in Europe, USA, Japan, Hong Kong and Korea.

Besides, the fund will be used for providing venture capital for production and installation of sales and display centres abroad with warehouse facilities.

Private exporters, however, expressed their doubts over invigoration of the fund through increased allocation.

They alleged authorities were reluctant to boost country's exports and, as such, were injection of funds won't yield any positive results.

## Hoechst Bangladesh MD speaks out

# Pharmaceutical sector highly regulated

Interviewed by SY Bakht

Leaving a secured government job for an executive position in the uncharted avenue of the private sector is a big dilemma and even a bigger challenge for a person.

For S R Karim, taking the risky path has paid off rewarding over the past 16 years and, recently, he has become the first Bangladeshi to be appointed Managing Director of the local subsidiary of the German multi-national, Hoechst AG of Frankfurt.

In an interview with The Daily Star, Karim, a former Central Superior Service officer, dwelt at length on the tough choice he had to make in switching jobs, the contrast between working for the government and the private sector and also on his company's present performance and future plans.

Completing his Masters in Economics at Dhaka University, he passed the Central Superior Service Examination in 1969 and, following training, joined the Taxation Service.

After Liberation, he was posted in the Ministry of Finance and upon completion of his post-graduate studies on a government scholarship in the United Kingdom. His service was again placed under the same ministry in 1975.

In 1976, the then German Managing Director of Hoechst Bangladesh offered him a job as the Finance Manager of the company.

The choice was a difficult one to make, Karim says, as the government job was secured with more or less predetermined promotional prospects and in the private sector, on the other hand, the price one has to pay for failure is conversely as steep as the high reward of success.

In the private sector, he points out, one is judged solely by one's performance which is constantly evaluated. "So, for me to come out of this secure shell of a government job and plunge into the uncharted territory of the private sector was a risky decision at the time."

The financial benefits offered by the company, he says, were the biggest attraction at that point for him and joining a leading German multi-national also provided an assurance for the future.

To lead an honest life by a government servant with dedication to service was very difficult in those days, he notes, as the earnings did not have any relationship with the rate of inflation. The consequence was that most government servants were suffering from mental exasperation.

"Thus, it was a choice for me to get out of that morass and the mental suffocation," Karim says.

Notwithstanding the high risk involved in leaving a government job for one in the private sector, he recalls, "I still took the plunge in 1976". And he never had to look back since.

After four years as the Finance Manager, he was sent

for a one-year training with the parent company in Frankfurt in 1980. "The purpose of the training was to inculcate a certain attitude and discipline in running a German company," he says, adding "and of course I learned German during that period."

Soon after his return, the company was jolted by the introduction of the drug policy in 1982. "The consequence of the drug policy was that we lost almost 55 per cent of our total turnover, and we were

fully from the blow of the drug policy and despite making small amounts of operating profits, we could not plan for expansion and future investments in Bangladesh."

In 1989, when the drug administration was contemplating further cut in the number of drugs which can be produced in the country to 302 from the nearly 500 products under the drug policy, the parent company in Germany was seriously debating whether to remain in Bangladesh or

the multi-national pharmaceutical companies through the Foreign Investors' Chamber of Commerce and Industry, Karim informs.

Hoechst Bangladesh, set up as a company in 1958, produces 35 items in its manufacturing line which includes a number of specialised medicines and is also involved in the import of textile dyes, pigments, plastics, leather chemicals and other chemical products.

A total of 363 persons are employed both at its Dhaka office and factory in Chittagong.

Earlier, since its inception, the company was run fully by expatriate German staff and at one time there were five Germans heading the production, marketing, industrial business and general management sides of the company.

"Over the years, the management skills have been transferred to the local staff and today it is managed totally by local professionals under direct supervision from Frankfurt," Karim, who was promoted to the post of Finance Director in 1986, points out. Transfer of technology in the areas of quality control and production techniques also took place, he adds.

The company is planning to diversify agro-chemicals and veterinary medicines in the near future. "However, it all depends on a proper investment climate and the right types of government incentives," he hastens to add.

Street demonstrations, hartals and frequent power shortages are the primary hindrances to the smooth operation of a factory, he says. "Nowadays, it is the erratic power supply which is creating a lot of difficulties for us in terms of loss of working hours."

On the basic differences between a government job and that of a private sector company, he says, interpersonal relationship is more intensive and the decision-making process is much faster in the private sector compared to government organisations where interactions are limited and a chain of people are involved in taking decisions.

"In the private sector one has to operate in a very structured environment interacting closely with both superiors and subordinates, which sometimes tends to generate interpersonal problems, he says. "One has to be very careful and cautious to avoid such pitfalls."

As for the quicker pace of the decision-making process, he says, "In a business organisation you are responsible for taking decision or for not taking one and in either case you are accountable for your action."

One has to decide and act on an issue promptly in a private enterprise, he adds, "time is money and you are evaluated every moment for your efforts and your commitment to your organisational goal therefore tends to become transparently pronounced."



Hoechst Bangladesh MD SK Karim giving interview at his office chamber. —Star photo

forced to restructure our organisation, he explains.

Ninety out of the 400 employees at the time had to be retrenched and the investment plans had to be shelved, he points out.

Under the drug policy, he points out, multi-national pharmaceutical companies cannot introduce new research-based drugs into the market, import of raw materials and retail price is controlled and foreign companies were not allowed to manufacture certain products which were made the exclusive preserve of local pharmaceutical companies.

"So, the policy affected the profitability of the company and did not allow the market to grow," he says. But the company slowly recovered from the initial impact of the drug policy by introducing some new products that were allowed into the market.

"Although we were some what late in introducing these new products we were lucky to get a market share perhaps because of our quality," he explains. But he hastens to add, "the company never recovered

not."

"The pharmaceutical industry is a highly regulated one where the rules of free enterprise and market forces do not play any role," he observes.

To keep up with the quality control requirements of the parent company, Hoechst Bangladesh had to invest in upgrading the manufacturing practices at its lone factory in Chittagong.

At the same time, a technical assistance scheme was worked out with Hoechst India, one of the larger subsidiaries of the parent company, to reduce costs.

"Since 1990, the technical cooperation with Hoechst India has worked out very well for us," he says.

Presently, the government is contemplating changes in the existing drug policy and if the government keeps in mind the problems of the multi-national companies then perhaps the climate would improve, he hopes.

Certain proposals with regard to changes in the drug policy have already been submitted to the government by

## Shipping Intelligence

### Chittagong Port

Berth position and performance of vessels as on 03.05.1992

| Berth No. | Name of Vessels   | Last Port | Local Agent | Date of Arrival | Leaving         | Cargo      |
|-----------|-------------------|-----------|-------------|-----------------|-----------------|------------|
| J/1       | Wingo Trader      | Pena      | B Bay       | 30/4            | 4/5             | PENA       |
| J/2       | Al Salma          | Bark      | ASLL        | 29/4            | 10/5            | GI/GL      |
| J/5       | Arunachal Pradesh | Parad     | SSL         | 30/4            | 3/5             | GI/GL      |
| J/7       | Tiger Sun/Shang   | Hong      | Prog        | 27/4            | 3/5             | GI         |
| J/8       | Loyal Bird        | Kara      | OWSL        | 1/5             | 12/5            | GI         |
| J/9       | Silver Sea        | Sing      | Prog        | 17/4            | 3/5             | GI         |
| J/10      | Lash Barge-1 Nos  |           |             |                 |                 |            |
| J/11      | Banglar Kiron     |           | BSC         | R/A             | 8/5             | Wheat      |
| J/12      | Ingenuty          | Sing      | RSL         | 1/5             | 3/5             | Cont       |
| J/13      | Fong Yun          | Sing      | BDSHIP      | 29/4            | 4/5             | Cont       |
| MPB/1     | NGS Ranger        | Sing      | BDSHIP      | 1/5             | 5/5             | Cont       |
| MPB/2     | Kharak            |           |             |                 |                 |            |
| CCJ       | ARJ Anand         | Sing      | Nishat      | 31/3            | 5/5             | Coke       |
| TSP       | Shezan            | Juba      | Aqua        | 13/4            | 4/5 Sulp/R      | Cott       |
| RM/3      | Global Mars       | Sing      | TSL         | 30/4            | 4/5             | GFO        |
| RM/4      | Hua Yin           | Kand      | Alamin      | 26/4            | 10/5            | Salt (Pvt) |
| RM/5      | Atherton Beauty   | U Said    | ECSL        | 1/5             | 4/5             | HSO        |
| RM/6      | Banglar Shourabh  |           | BSC         | R/A             | 3/5             | C Oil      |
| DDJ/1     | Endurance Sea     | Aqaba     | EOSL        | 25/1            | 3/5             | Repair     |
| DDJ/2     | Banglar Asha      |           | BSC         | R/A             | 3/5             | Repair     |
| RM/8      | Eastern Breeze    | Mong      | RRSA        | 14/4            | 10/5            | Repair     |
| RM/9      | Banglar Swapna    |           | BSC         | R/A             | 5/5 Repair/Dead |            |

### Vessels due at outer Anchorage

| Name of Vessels    | Date of Arrival | Last Port | Local Agent | Cargo     | Loading Port |
|--------------------|-----------------|-----------|-------------|-----------|--------------|
| Optima 8/4         | 3/5             | Col       | RSL         | Cont      | Sing         |
| Eftychia M         | 3/5             | Sing      | BSC         | Wheat     |              |
| Tern               | 3/5             | K Borg    | H&Sons      | Wheat     |              |
| Ahlers Breeze 16/4 | 4/5             | Col       | RSL         | Cont      | Mong         |
| Pya-1              | 4/5             |           | PSAL        | Cement    |              |
| Kota Eagle 21/4    | 4/5             | Sing      | CTS         | Cont      | Sing         |
| Mar Bonita         | 4/5             | Mong      | Lams        | Ballast   |              |
| Liberty Spirit     | 5/5             | Dest      | Lams        | Wheat     |              |
| Golden Fish        | 5/5             | Mong      | Aqua        | GL        | Dakar        |
| Stonewall Jackson  | 5/5             | Cal       | Karna       | Lash      | USA Ports    |
| Becco Europe       | 5/5             | Hong      | Ancient     | GI        |              |
| Safar              | 5/5             | Sing      | ASLL        | GI        |              |
| Tamary Star        | 5/5             | Vina      | HIL         | Cement    |              |
| Al Samad           | 5/5             | Kara      | UMAL        | C Clinker |              |
| Banglar Board      | 5/5             | Kara      | BSC         | Ballast   |              |
| CGM Bretagne 29/4  | 6/5             | Sing      | BDSHIP      | Cont      | Sing         |
| New Genford 26/4   | 6/5             | Sing      | BDSHIP      | Cont      | Sing         |
| Kota Buana 27/4    | 7/5             | Sing      | CTS         | Cont      | Sing         |
| Kamalverett        | 7/5             |           | EBPL        | GI        | JAPA FE      |
| Amitee             | 7/5             | Mong      | Aqua        |           | Dakar        |
| I. Yamburenko 29/4 | 7/5             |           | CT          | Cont      | Sing         |
| Elbela-IV          | 8/5             | D Mark    | JF          | Wheat     |              |
| Unity              | 9/5             | Anna      | TSL         | R Phos    |              |

### Tanker due:

|                    |     |      |        |                     |
|--------------------|-----|------|--------|---------------------|
| Petrobulk Sterling | 2/5 | Cara | BSC    | Canola/Rapeseed Oil |
| Dan Frigg          | 3/5 | Sing | MSPL   | HSO                 |
| Nodar Dumbadze     | 8/5 |      | Royal  | CDSO                |
| Arsenyen           | 8/5 |      | Seacom | C Pain              |

### Vessels at Kutubdia

| Name of Vessels | Cargo | Last Port | Local Agent | Date of Arrival |
|-----------------|-------|-----------|-------------|-----------------|
| T T Energy      | C Oil | Col       | NNL         | 27/4            |
| Banglar Jyoti   | C Oil |           | BSC         | R/A             |

### Vessels at outer Anchorage:

| Ready on       |        |      |        |           |  |
|----------------|--------|------|--------|-----------|--|
| Zang San       | R Phos | Anna | TSL    | 25/4      |  |
| Wester Star    | Cont   | Cal  | BDSHIP | 2/5       |  |
| Banglar Kakoti | GI     | Hull | BSC    | 3/5       |  |
| Zeno           | Wheat  | Vanc | Lams   | 2/5       |  |
| Banglar Sampad | Wheat  |      | BSC    | R/A (1/5) |  |

### Not ready:

|            |  |  |     |           |  |
|------------|--|--|-----|-----------|--|
| Eftychia M |  |  |     |           |  |
| Al Tahir   |  |  | KSL | R/A (2/5) |  |
| Tern       |  |  |     |           |  |

### Vessels awaiting instruction

|                |        |      |      |           |  |
|----------------|--------|------|------|-----------|--|
| Banglar Urmi   | Repair |      | BSC  | R/A (1/5) |  |
| Ronjay Victory |        | Mong | PSAL | 2/5       |  |
| Banglar Mamata |        |      | BSC  | R/A (2/5) |  |
| Al Tabith      |        | Mong | KSL  | 2/5       |  |

### Vessels not entering

|          |          |      |        |             |  |
|----------|----------|------|--------|-------------|--|
| Alyn     | Cement   | Sing | Alamin | R/A (18/9)  |  |
| Red Deer |          | Sing | OTL    | R/A (26/11) |  |
| Theomana | Scraping | Rio  | JF     | 9/4         |  |

The above were the Sunday's (03.05.92) Shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

## Price Index

| May-3                    |        |             |
|--------------------------|--------|-------------|
| Essentials               | Chakra | 23.00-24.00 |
| RICE (Taka per kg)       | Kharai | 14.00-15.00 |
| Amant(fine)              |        |             |
| 16.00-17.00              |        |             |
| Pajam                    |        |             |
| 14.00-15.00              |        |             |
| VEGETABLES (Taka per kg) |        |             |
| 9.00-10.00               |        |             |
| 10.00-11.00              |        |             |
| 11.00-12.00              |        |             |
| 12.00-13.00              |        |             |
| 13.00-14.00              |        |             |
| 14.00-15.00              |        |             |
| 15.00-16.00              |        |             |
| 16.00-17.00              |        |             |
| 17.00-18.00              |        |             |
| 18.00-19.00              |        |             |
| 19.00-20.00              |        |             |
| 20.00-21.00              |        |             |
| 21.00-22.00              |        |             |
| 22.00-23.00              |        |             |
| 23.00-24.00              |        |             |
| 24.00-25.00              |        |             |
| 25.00-26.00              |        |             |
| 26.00-27.00              |        |             |
| 27.00-28.00              |        |             |
| 28.00-29.00              |        |             |
| 29.00-30.00              |        |             |
| 30.00-31.00              |        |             |
| 31.00-32.00              |        |             |
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| 38.00-39.00              |        |             |
| 39.00-40.00              |        |             |
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| 96.00-97.00              |        |             |
| 97.00-98.00              |        |             |
| 98.00-99.00              |        |             |
| 99.00-100.00             |        |             |

Source: Department of Agriculture marketing

## Exchange Rates

The following are the Commercial Bank's BC selling and TT (C) OD transfer buying rates for some selected foreign currencies effective on May 3, 4 and 5.

| Currency           | SELLING  | TT(C)    | BUYING   |
|--------------------|----------|----------|----------|
| US dollar          | 39.1326  | 38.9087  | 38.6339  |
| Pound sterling     | 69.8649  | 68.5234  | 69.0650  |
| DM                 | 23.8613  | 23.7103  | 23.5429  |
| S Riyal            | 10.4641  | 7.0308   | 6.9812   |
| D Outdiers         | 20.2101  | 21.0773  | 20.3307  |
| S Kroner           | 6.8108   | 6.8707   | 6.8243   |
| Singapore Dollar   | 23.7024  | 23.5667  | 23.4003  |
| UAE Dirham         | 10.6911  | 10.6299  | 10.5548  |
| Kuwaiti Dinar      | 133.6965 | 132.9316 | 131.9927 |
| Indian Rupee (AMU) | 1.5104   | 1.5035   | 1.4960   |
| Pak. Rupee (AMU)   | 1.5573   | 1.5501   | 1.5424   |

Authorized dealers will apply T T clean buying rate for purchase of remittances of Bangladesh's working abroad.