

UK company chief talks to Daily Star

Dhaka should identify sectors to attract foreign direct investment

by S Y Bakht

The government should conduct a good macro analysis to identify the sectors in which Bangladesh holds a potential competitive advantage in order to attract foreign direct investments into the country, suggested the chief executive of a big multinational company based in the United Kingdom.

Patrick JJ Rich, the visiting Chairman and Chief Executive of BOC Group Plc, the parent company of Bangladesh Oxygen Limited (BOL), also suggested the formation of a task force to deal with priority cases, if the already initiated procedural simplification process does not work.

"Once you have targeted the sectors, you have to really go after a certain number of companies which belong to those particular sectors, bring them here or go after them abroad, and make sure they understand the country well," he added.

Rich, whose company has 100 subsidiaries in some 51 countries around the world and has an annual turnover of three billion pound sterling, was in Dhaka on a short visit last week, accompanied by his wife, Loise Marie Rich. He is the first chief executive of the company, and one of only a few of the big multinationals operating in the country, to have visited Bangladesh.

In an interview with The Daily Star at his hotel suite on Wednesday, Rich also talked about BOL's performance and future plans, role of a multinational company in the country, the international investment climate and about the purpose of his visit and his views on Bangladesh.

"Unfortunately, there is no easy recipe to attract foreign direct investments, you have to build on successes," he pointed out while making the above suggestions. As a long-term plan, he noted, the countries of the SAARC region should really formulate a common market, similar to the European common market, to have the advantage of a common negotiating platform in the world scene.

The multinationals, he said, also look for protection, in case a trade bloc emerges, of access to international markets and only a common platform can provide that.

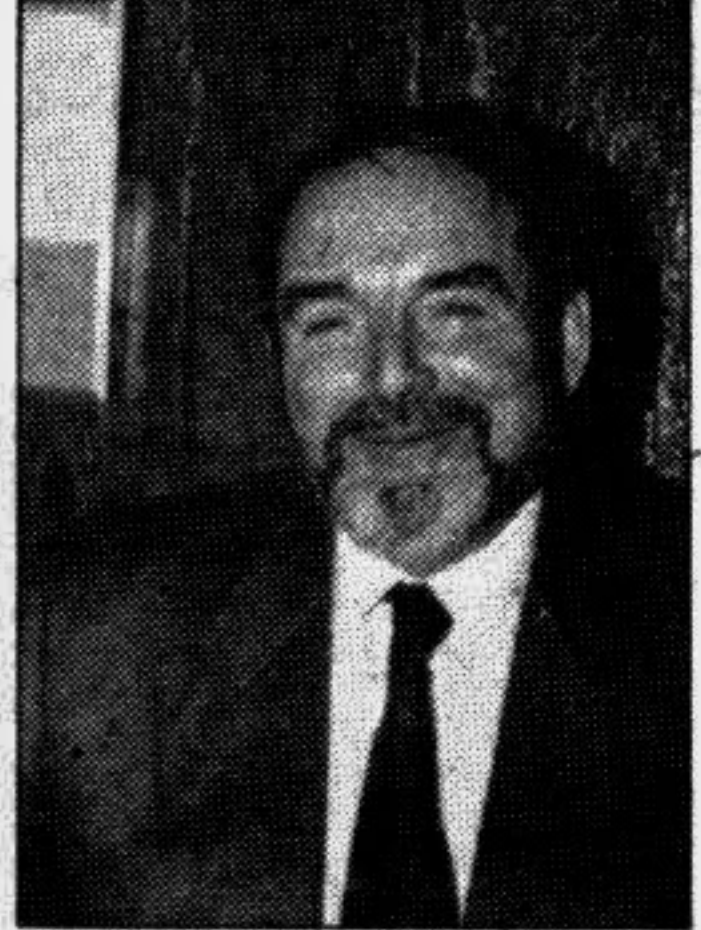
"Somehow in the sub-continent, above all the problems of nationalities, of religions, of ethnic and so on, there has to be a vision of a common market and common negotiating in the world scene," he observed. "I think that is very

important." Rich, a French national, pointed out the advantages of EC member countries to negotiate in the international arena now, although the countries of the region may not have been in the best of terms with each other in the past.

On the performance of BOL, Rich spoke highly about the performance of the local subsidiary and outlined its future expansion plans, while noting that the company evolved from the Indian subsidiary set up after the Second World War.

"So, we have been in different guises here for a long time and as our managers know the market very well, we have a very dominant market position," he explained. "And our people here have been working all the time at diversifying the application of gases."

He pointed out the pillars on which the local company's business stands on: the weld-



Patrick JJ Rich

ing, ship-breaking and frozen food businesses and the use of gases in the health sector. "I think that has been the secret of success for the local company and they have a very good management team."

As the company grew along with the market, he said, it is currently short of capacity and the local managers have proposed a Taka 100 million expansion scheme. "We are very happy to subscribe to that proposal and they can finance it themselves as they are in good shape," he added. "The bottom line really is that we are growing."

Asked if the company has any plan to diversify into other businesses, the BOC Chairman said that the company has no plan to diversify as part of a strategy, either here or elsewhere. "We have a long story of diversification at BOC and generally it went badly and we don't want to diversify into things we don't know very

well." BOL has also proposed to set up a Liquid Petroleum Gas (LPG) bottling plant, Rich noted, in a joint venture with the public sector, saying that the government is yet to respond to the proposal, Rich added "this was a good project and this would have probably meant an investment of Taka 120 million."

On the role of a multinational in a developing country, he said: "I think multinationals don't always bring the highest employment because they require high technology." In general the multinationals, he pointed out, bring in very good technology and are very much determined to have good managers trained locally, and have a first-class operation. "So these things together make a pretty unbeatable combination."

Asked why some multinationals are leaving Bangladesh, Rich observed that it was more because of internal reorganisation than anything else. "So, I don't believe that multinationals leave Bangladesh because of 'poor economic conditions', but because of other internal reasons and that happens all the time, sort of like you shed some skin and then there is new skin flowering."

He pointed out that the multinational pharmaceutical companies are currently going through a "major reorganisation." "On the other hand, you have companies that have started coming here, a large Swiss multinational is coming here on the food side."

This is the type of industry that needs to be here locally, he added. "New types of industries will come, if the conditions are attractive, they will keep growing here locally."

What about the criticisms that there is a shortage of local competent expertise? "I find it to the contrary and I would argue that there is an enormous amount of management talent which is raised and educated in Bangladesh and one of the problems is when you go around the world you find these highly skilled people working elsewhere." He noted that BOL is completely manned by local managers. "We don't have a single expatriate working here, but in many other countries we need to send two or three of them."

So, what was the purpose of his visit here? He acknowledged that as a chief executive of a big multinational he rarely has an opportunity to know more about the different subsidiaries other than their monthly perfor-

mance report. "But, I always say that if you don't see where your managers work you cannot really understand how they think and how they take decisions and in this case it is particularly nice occasion because they have been doing so well."

He said he is attempting to visit all the companies over a period of time. He came to Bangladesh from Pakistan, from where he will go to India, where he said, "we have a very large operation."

How much did you know about Bangladesh before coming here and has your impression changed following the visit? "What you read about Bangladesh abroad is in general coloured with a pretty biased brush, you cannot get to the nuances of reality," he readily acknowledged.

He added that the first image of Bangladesh, which from the international press, is that of poverty and floods. "You know, if you read the international press, you have the impression that there is nothing but floods in Bangladesh."

It is difficult to know, he said, about how much the economy fluctuates with the rhythm of bumper crops or floods or even how organised the labour sector here is "nobody realises how sophisticated a middle-class is starting to emerge in Bangladesh and how many people are in, what I call, the money economy."

It is also difficult, he pointed out, to gauge the level of competition here, unless one visits the country. "Sometimes people say that Bangladesh would be a next production base of manufactured goods like it used to be in Taiwan and Korea, he said "but one has to be careful that one doesn't push the labour prices up to a point where the next investments will be made in Vietnam or other places."

The BOC chief executive felt that the macro-economic situation in the country is improving "quite well", but the liberalisation process has a long way to go. "I think, clearly a lot has to be done on the implementation side."

He had a positive impression about the people. "In general, I have to say, I found the people here to be more friendly and outgoing than in many parts of the world that I have seen."

He was also impressed by the industriousness of the people. "One thing that struck me very much is the entrepreneurial nature of Bangladesh citizens, and I think that is really a motivation for a country to move ahead."



Foreign Minister ASM Mustafizur Rahman opened the 'US Trade Show '93' at a local hotel Saturday morning. Nearly 40 US companies are participating in the trade show which is second of its kind in Bangladesh.

—Star photo

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 30.01.93

Berth No.	Name of Vessels	Cargo	L. Port	Local Call	Date of Arrival	Leaving
J/1	Yannis-II	S. Ash	Sing	PSAL	23/01	30/01
J/2	Samudra Rani	GI	Bol	SSL	28/01	07/02
J/4	Trans America	Repair	BKK	BOVL	08/01	01/02
J/5	Sidi Bishr	Sugar(P)	Pena	MMI	25/01	31/01
J/6	Mowlavi	GI/GL	Mong	SSL	28/01	30/01
J/7	Banglar Maya	GL	Momb	BSC	16/01	30/01
J/8	Solbulk	Wheat(P)	P. Land	Seacom	30/12	31/01
J/9	Ingenuity	Cont	Sing	RSL	27/01	30/01
J/10	Endurance Sea	Repair	Aqaba	EOSL	25/01	05/02
J/11	Marine Gloria	Bulk Dap	Paasca	LAMS	17/01	01/02
J/12	Guijiang	Urea	—	ATSL	R/A	01/02
J/13	Kota Buana	Cont	Sing	CTS	29/01	—
MPB/1	Meng Horn	Cont	Sing	BDSHIP	29/01	31/01
MPB/2	NGS Express	Cont	Sing	BDSHIP	27/01	31/01
CCJ	Sea Rhapsody	C. Clink	V. Pat	UMAL	25/01	02/02
TSP	Vinta	R. Phos	Jedah	SSST	04/01	30/01
RM/4	Ronjay Choomie	Cement	V. Pat	PSAL	25/01	—
RM/6	Banglar Kiron	Repair	—	BSC	R/A	01/02
DDJ	Banglar Jyoti	Repair	—	BSC	R/A	03/02
DDJ	Banglar Sampad	Repair	Kara	BSC	08/01	30/01
CURJ	Ronjay Victory	Urea	Mong	PSAL	22/01	30/01

VESSELS DUE AT OUTER ANCHORAGE

Name of vessels	Date of Arrival	Last Port	Local Agent	Cargo	Loading
Sea Venture	30/01	Padra	AML	Cement	—
Knock Berman	30/01	—	JF	Scrapping	—
Norbukl Namir	31/01	—	PSAL	Cement	—
ET Ocean-V	31/01	Sing	ILA	—	—
Petr Starostin	31/01	Sing	CT	Cont	Sing.
State of Orissa	31/01	Mong	SSL	—	Ant.
NGS Ranger	31/01	Sing	BDSHIP	Cont.	Sing.
Tarbela	31/01	—	BSC	Cement	—
Keltic Confidence	31/01	Juba	SSST	R. Sulp	—
Fong Yun	02/02	Sing	BDSHIP	Cont	Sing.
Mupo	02/02	—	USTC	Cement	—
Sea Destiny	02/02	Padra	AML	Cement	—
Shenton	02/02	Sing	OMNI	Cont	Sing.
Shapleaverett	02/02	—	EBPL	GI	Japa Fc. St.
Banglar Shobha	05/02	Pena	BSC	GI	—
J. Sister	06/02	S. Hai	ASLL	GI	—
Al Saima	06/02	Pena	ASLL	GI/GL	Sing Beng.
Saifna-E-Najam	07/02	Kara	ASLL	GI/GL	Karachi
Optima	07/02	Mong	BSC	Cont	Sing.
A Goncharov	08/02	—	CT	Cont	Sing.
Fong Shin	08/02	Sing	BDSHIP	Cont	Sing.
I. Yamburenko	10/02	—	CT	Cont	Sing.
State of Tripura	10/02	MAD	SSL	GI	—
Saigon-II	10/02	—	USTC	Cement	—
Tiger Force	11/02	Col	RSL	Cont	Col.
Stonwall Jackson	12/02	—	Karna	GI	New York

TANKER DUE

Esso Bangkok	31/01	Sing	MSL	ISD
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VESSELS AT KUTUBDIA

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Djanjoros	Wheat (G)	Call	Aqaa	26/01
AL Tajwar	Cement	Jaka	PSAL	R/A (29/1)

VESSELS AT OUTER ANCHORAGE

READY QN:

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Massy Phoenix	Wheat (I)	Sing	OWSL	28/01

VESSELS NOT ENTERING

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Meringa Stern	Scrapping	Vua	UMAL	01/01
Arhon	GTSP (P)	Col	UMAL	16/01
Shar Houson	Scrapping	Sing	PSAL	26/01
Hang Loy	Cement	Sing	H&H	27/01
OLG-1	Cement	Indo	USTC	29/01

MOVEMENT OF VESSELS FOR 31/01/93

OUTGOING	INCOMING	SHIPPING
J/1 Yannis-II	RM/5 Banglar Asha	RM/6 Banglar Kiron to DDJ/2
J/6 Mowlavi	DDJ/1 Al T. Ocean	
J/9 K. Baana	G.S.J. Al Tajwar	
MPB/1 Meng Horn	MPB/1 NGS Ranger	
MPB/2 NGS Express		
TSP Vinta		
RM/3 Banglar Sampad		

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

Exchange Rates

The following are the Commercial Banks' BC selling and TT (C), OD transfer buying rates for some selected foreign currencies effective on January 31 and February 1, 1993. (Figures in Taka)

Currency	Selling B.C.	T. T. (C)	Buying OD Transfers
US Dollar	39.1326	38.9087	38.6339
Poundsterling	58.1695	57.8579	57.4695
DM	24.2939	24.1399	23.9694
FF	7.1803	7.1353	7.0849
S Riyal	10.4610	10.4042	10.3307
D Guilders	21.5880	21.4527	21.3011
S Kroner	5.3650	5.3270	5.2894
Singapore Dollar	23.8236	23.6873	23.5200
UAE Dirham	10.6911	10.6299	10.5548
Kuwait Dinar	128.9811	128.2431	127.3373
Indian Rupee (AMU)	1.4925	1.4858	1.4783
Pak Rupee (AMU)	1.5032	1.4964	1.4890

Authorized dealers will apply T T clean buying rate for purchase of remittances of Bangladeshis working abroad. Note: AMU—Asian Monetary Union.

Dhaka Stock Prices

At the close of trading on January 30, 1993.

Shares gain, prices fall

Transactions at Dhaka Stock Exchange (DSE) met with a mixed reaction in terms of turnover on the opening day of the week, Saturday.

Shares rose by 29.75 per cent against Thursday's finish. It stood at 8,661 issues from Thursday's 6,675 issues.

The total value however fell shedding Tk 105489.50 from Thursday's Tk 525321.25, losing 20.08 per cent.

The trading floor looked rather dull compared to other days. 30 stocks participated on the day. Advancers dominated the floor totalling 14 while only six listed companies lost prices. Changes among losers and gainers were small. The highest number of shares transacted were by Eagle Box (1500) and the lowest went to Beximco Infusion debenture (02).

The Composite Index showed a slight rise of 0.394 point from Thursday's 367.6961 and finished at 368.0897.

DAY'S TRADING AT A GLANCE

DSE Share Price Index	368.0897
Market Capitalisation (Tk)	10,521,834,552.00
Turnover in Volume	8661
Turnover in Value (Tk)	419831.75

Company	Previous price Tk	Closing price Tk	Change (absolute) Tk	Change (% over price)	Number of shares sold
Gains (14)					
Shares:					
Atlas Bangladesh	42.00	45.80	3.80	9.04%	250
Bangladesh Autocars	61.90	66.88	4.98	8.04%	160
Eagle Box	17.00	17.83	0.83	4.88%	1500
Beximco	17.00	17.51	0.51	3.00%	1300
BCIL	250.00	262.50	12.50	5.00%	20
Eastern Cables	74.00	74.85	0.85	1.14%	365
Ashraf Textile	30.20	31.00	0.80	2.64%	300
1st ICB M Fund	340.00	350.00	10.00	2.94%	10
Aziz Pipe	212.00	212.33	0.33	0.15%	15
Howlader PVC	114.75	115.00	0.25	0.21%	10
Renwick Jaj	77.00	78.00	1.00	1.29%	05
Dhaka Vegetables	79.00	80.00	1.00	1.26%	05
Losses (06)					
Shares:					
Zeal Bangla	8.80	8.71	-0.09	-1.02%	1150
Bengal Food	139.50	139.32	-0.18	-0.13%	157
Tamijuddin	174.00	173.83	-0.17	-0.09%	120
Beximco Infusion	218.50	216.00	-2.50	-1.14%	90
Cig Cement	268.09	267.00	-1.09	-0.40%	55
Jute Spinners	80.00	78.00	-2.00	-2.50%	30

Company	Previous price Tk	Closing price Tk	Change (absolute) Tk	Change (% over price)	Number of shares sold
Losses (06)					
Shares:					
Zeal Bangla	8.80	8.71	-0.09	-1.02%	1150
Bengal Food	139.50	139.32	-0.18	-0.13%	157
Tamijuddin	174.00	173.83	-0.17	-0.09%	120
Beximco Infusion	218.50	216.00	-2.50	-1.14%	90
Cig Cement	268.09	267.00	-1.09	-0.40%	55
Jute Spinners	80.00	78.00	-2.00	-2.50%	30

Traded at previous rates (10)

Stocks: 5th ICB M Fund (200), 6th ICB M Fund (100), Salham Textile (240), Bangla Process (10), Pharmaco (100), Therapeutics (50), Paper Processing (290), Apex Tannery (05), Bata Shoe (980), GQ Ball Pen (1130). Figures within brackets indicate number of shares.

DSE SHARES AND DEBENTURES

Company	FV/ML Tk	Shine Tukur Jute	100/5	112.00
BANKS (10)				
Al Baraka Bank	1000/1	890.00		
A.B. Bank	100/5	186.00		
City Bank	100/5	270.00		
I.F.I.C.	100/5	160.00		
Islami Bank	1000/1	1700.00		
National Bank	100/5			