

China unveils new partnership with Africa

AFP, Bamako

China on Sunday unveiled plans to boost its ties with Africa, outlining a new relationship with the continent based on a "win-win" concept of economic and military cooperation.

"China plans to establish and develop a 'new type of strategic partnership with Africa' characterised by equality and mutual trust on the political front, cooperation conducted on the basis of 'win-win' economics with reinforced cultural exchanges," according to a document released in the Malian capital, Bamako, at the end of a visit by Foreign Minister Li Zhaoxing.

China already has a strong presence in Africa and its investments there are being boosted by a recognition of the continent as a source of raw materials such as oil, as well as an important market for Chinese goods.

China's intention, the document said, is to "ensure reciprocal

advantages with a view to shared development" through economic, commercial, military and social cooperation.

Beijing plans to open up the Chinese market to African merchandise, reducing tariffs on some goods from Africa's least developed countries to zero and says it will work to boost bilateral trade on an equal basis.

Sino-African cooperation will also focus on "developing land, agricultural output, animal husbandry, and food security."

Health and tourism are covered in the plan, while Beijing also intends to boost its cooperation with regard to military technology and "will continue to help African countries train their military personnel".

The Chinese government is also encouraging "Chinese businesses to invest and set up in Africa and will continue to give them loans at preferential rates," the document added.

CEO's challenges in a changing market

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To set the stage for today's evening let me quote Paul Valery a French poet who said, "the trouble with our times is that the future is not what it used to be." Jack Welch once said that the 1980s would be a "white-knuckle" decade of intensifying industrial competition and that the 1990s would be tougher still. Despite history's unprecedented prosperity throughout much of the world, the former GE Chairman was proved right. The "topple rate" at which companies lose their leadership positions has doubled in the last twenty years. New technologies eclipsed long established industry champions and nimbler competitors with sharper value propositions and lower costs emerged, seemingly from nowhere, to take their place. The world today is very different. There are collapsing industry boundaries and at the same time, there is vast excess capacity in lots of businesses.

In many ways, however the 1990s were just a start of a massive reshaping of the global economy that will in my opinion continue for the next 20-25 years. Globalization (integration of large low cost economies into the world's supply and demand base), technology and economic liberalization will combine to unleash innovation and to expand productivity and GDP on a scale never seen before. The pie is growing and will keep growing but the uncomfortable reality is that the distribution of growth and profits is anything but uniform or predictable.

While change and uncertainty have always been a part of life, what has been shocking over the last few years has been both the quantum and suddenness of change. For many people who were cruising along on placid waters, the wind was knocked out of their sails. The entire logic of doing business was turned on its head. Some industries are more exposed than others, but mature companies with seemingly dominant industry positions are particularly vulnerable: they face a double whammy of

more intense competition and declining average industry performance. A comparative gentle decline isn't likely. Not only business, but also every aspect of human life has been impacted by the change. What lies ahead is even more dynamic and uncertain. Supply side growth (a term more used by economists rather than MBAs) and its accompanying turbulence will continue and even accelerate over the next 20 years. After all, we are nowhere near the end of the line in the search for new disruptive technologies and for low cost, high talent labor to generate new products, higher productivity or both.

Few incumbents are in a position to respond well to the challenges. Decision making processes are often slow, backward looking and incremental. Too many companies need nothing less than a new competitive approach built on speed, flexibility and resilience an approach that isn't found in most strategy books or for that matter, in the experience of business leaders who won their spurs at a time of more incremental change. I would like to use this opportunity to share with you some of the guiding principles of staying afloat in a changing world. I hope you find them useful.

LESSON 1
Be alert for the first signs of change.
Change descends on every one equally; it is just that some realize it faster. Some changes are sudden but many others are gradual. While sudden changes get attention because they are dramatic, it is the gradual changes that are often ignored till it is too late. You must have all heard of story of the frog in boiling water. If the temperature of the water is suddenly increased, the frog realizes it and jumps out of the water. But if the temperature is very slowly increased, one degree at a time, the frog does not realize it till it boils to death. You must develop your own early warning system, which warns you of changes and calls your attention to it. In the case of change, being

forewarned is being forearmed.

LESSON 2
Anticipate change even when things are going right.

Most people wait for something to go wrong before they think of change. It is like going to the doctor for a check up only when you are seriously sick or thinking of maintaining your vehicle only when it breaks down. The biggest enemy of future success is past success. When you succeed, you feel that you must be doing something right for it to happen. But when the parameters for success change, doing the same things may or may not continue to lead to success. Guard against complacency all the time. Complacency makes you blind to the early signals from the environment that something is going wrong.

LESSON 3
Always look at the opportunities that change represents.

Managing change has a lot to go with our own attitude towards it. It is proverbial half-full or half-empty glass approach. For every problem that change represents, there is an opportunity lurking in disguise somewhere. It is up to you to spot it before someone else does.

While on anticipating changes and the opportunities that it represents let me share with you some Unilever experience. Unilever regularly does a foresight exercise. It identifies the drivers of change impacting our business, the consumer trends that could result and its consequent implications for Unilever's future direction. The consumer trends are then used as inputs in developing the business plans. A trends challenge is done by asking the following questions:

Do our brands address the key external trends?

Could our brands do so in the future?

If not, what opportunities are we missing?

It is true that not every brand responds to every trend nor should it. But the challenge throws up surprises and stimulates thinking. It helps us check that our brands are in step with consumers and

shoppers and asks whether we are really doing enough to be successful beyond today.

Let me share with you in consumer speak the current set of global trends as identified by my company. These are eight in number and in no particular order:

Experiential society

"I want to enrich my life with experiences to replace the mundane with excitement and luxury, and to escape from the daily pressures. Help me get the most out of life"

Solutions for individuals

"I'm special and different give me custom-made solutions that let me express my identity"

Getting connected

"In a fragmenting society, I still need to belong. I want new, fast, convenient and trendy ways of connecting to my real and virtual worlds"

Instant availability

"As my life gets more complex and pressured, I want ways to make the most of my time to pack more in to my day, and to spend time on the things I want to do, now"

Anything goes

"As the boundaries of identity, lifestyle and family structure continue to shift, I'm free to do and behave as I want without the constraints of my age or gender"

Health and wellness

"Freedom from illness is no longer enough I want physical, emotional and spiritual wellbeing for me and my family. Help me take control of my health but still indulge occasionally in things that are bad for me!"

Securing a better world

"I care about my world, my society, my environment... I worry about my safety, security and privacy"

Trading up, trading down

"I'm spending less on undifferentiated products and services so that I can spend more on those that excite me (but no compromise on quality!)"

TO BE CONTINUED

The writer is chairman and managing director of Unilever Bangladesh Limited.



PHOTO: LANKABANGLA FINANCE

Aminuzzaman, managing director of National Bank Ltd, and Sayeed Husain Jamal, managing director of LankaBangla Finance Ltd, shake hands after signing an agreement recently. Under the deal, the bank has extended credit line facility for Tk 100 million to LankaBangla to finance the latter's business activities. Senior officials from both the sides are also seen.

CURRENCY

Following is Monday's (January 16, 2006) forex trading statement by Standard Chartered Bank

Sell						Buy		
TT/OD	BC	Currency	TT Clean	OD Sight Doc	OD Transfer			
68.4200	68.4500	USD	67.3000	67.2776	67.2327			
84.0129	84.0498	EUR	80.7196	80.6927	80.6389			
122.3623	122.4160	GBP	118.4413	118.4018	118.3228			
52.7723	52.7955	AUD	50.0577	50.0411	50.0077			
0.6072	0.6074	JPY	0.5854	0.5852	0.5848			
54.2930	54.3168	CHF	52.2922	52.2747	52.2399			
9.2652	9.2693	SEK	8.4325	8.4297	8.4241			
59.6305	59.6566	CAD	57.4772	57.4580	57.4197			
8.8461	8.8500	HKD	8.6615	8.6586	8.6529			
43.0233	43.0422	SGD	41.2934	41.2796	41.2521			
18.7802	18.7884	AED	18.1754	18.1694	18.1573			
18.3900	18.3981	SAR	17.8038	17.7978	17.7860			
11.6110	11.6161	DKK	10.5341	10.5305	10.5235			
230.8497	23.9531	KWD	229.1855	229.1115	228.9634			

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	Malaysian ringgit
44.05	59.87	102.155	39.520	6.6289	0.6989	3.74

Local Interbank FX Trading
Local interbank FX market was active. Demand for USD remained high in the market.

Local Money Market
Money market was active. Call money rate eased and ranged between 15.00 ad 25.00 percent compared with 20.00-30.00

percent previously. The dollar drifted towards a three-month low against the euro on Monday after comments on Friday by European Central Bank President Jean-Claude Trichet kept alive market expectations for euro zone interest rates to rise in coming months.

Pak investors eyeing property markets in India, Iraq

PTI, Islamabad

Pakistani real estate investors are eyeing underdeveloped property markets in India and Iraq, resulting in capital flight in the recent past, according to the industry sources.

Investors have begun taking interest in real estate sectors of Iraq and India after losing hope in an early recovery of the dismal property situation in Pakistan, Muhammad Haris, a Pakistani real estate agent, was quoted as saying by the 'Daily Times' newspaper.

"Two of my clients have recently invested in property sector of Iraq amid hopes that the situation would get normal within the next six months," he said, adding "One of them has bought a hotel and the

other has invested in a factory there against a heavy transaction."

According to Naveed-ul-Hasan, a property dealer in Lahore, "a large chunk of real estate funds has already got sidetracked to Dubai's housing sector and the State Bank of Pakistan, in its annual report for 2005, described this phenomenon as one of the primary reasons for the decline in Pakistan's foreign exchange reserves."

Azam Nasir, a real estate analyst, said Pakistan's real estate sector had gained tremendous value within two years, which actually was due to take place within five years.

Real estate agents were expecting another boom in the market with the start of holiday season, the report said.

STOCK