

Dare to dream big

British American Tobacco Bangladesh's MD Shehzad Munim says at The Daily Star's The Chief Executive Show powered by Marico

Munim became the first Bangladeshi managing director of BATBC when he was appointed to the top position in 2013. On Saturday, he talked about his journey to the top, opportunities and challenges facing the current generation and the need for nurturing future leaders at the first episode of the Chief Executive Show.

DS: How was your childhood? You may not have found a role model to follow the footprints compared to the current generation.

Munim: We are discussing this issue at a very opportune time. Leadership is such a thing that we have to nurture it.

The civil servants who worked in the Civil Service of Pakistan played a glorious role after the Independence of Bangladesh. There was no such noise in the private sector and corporate jobs. So, our experience grew in keeping with the progress of the country.

I went to educational institutions in Bangladesh. I was in the first batch of the BBA programme at the Institute of Business Administration at the University of Dhaka. Many had little knowledge about studying business. Perhaps, we were the guineapigs.

I did not dare to think that one day I would become the CEO. My parents taught us to try to build an honest and disciplined life.

The company I worked for was always headed by a foreigner. So, our maximum aspiration was to become a functional head. But as we passed through more stages, we gained more courage. We learnt to take responsibility.

In many cases, we had to learn on

our own. But I can't say that there were no role models. There were many role models. I learnt following them and was inspired. The contribution of the people who helped me in many ways throughout my journey can't be forgotten. They guided me.

The periphery of the dream was not that big during our time. It has got bigger brick by brick. I think it can be even much bigger.

DS: Now the current generation can look up to you and feel that they can strive and achieve what you have achieved. What are the steps they can take?

Munim: Those who are joining our company now or are already in the mid-level, they can see that a Bangladeshi is the CEO of the company. So, the periphery of their dream should be far wider than what we had.

We have to understand the values. You can't be successful if you just chase profit. There is a far bigger thing and responsibility of a CEO. We have to adopt these things very quickly because the young generation should be doing our job much earlier than we did. Then, they have to leapfrog and aim to become the global CEO of a multinational organisation.

The way our economy is growing, I think about a Bangladeshi multinational company in the coming days. There are organisations in Bangladesh which are already doing business beyond the country's boundary.

The demand for management and corporate leadership has already been created in Bangladesh in a significant way. Bangladesh is 50 years old. The



MD Shehzad Munim

industrialists and entrepreneurs who established industries of significant size since Independence have started to retire. Either they are handing over the management to their next-generation or planning to hand over the responsibility to professional CEOs.

How would these sizeable companies make the transition to the next generation? We would like to see that the next generation would prepare themselves as the iconic CEOs because the good performance of a CEO can take the company in various directions. We have to see how we would grow our people and institutionalise it. One can't be a CEO by chance.

DS: There is a trend among mid-level managers to migrate to other countries. But they are leaving behind good positions and settling at a far lower position. What do you say about this?

Munim: This is part of life. We are a country that is going through a demographic dividend. We have a big young population. Our people are going abroad and they are working

there. One should not feel bad about it. A company would be dealt with a short-term blow if some of its people at the mid-management level whom it has been grooming and who are doing well suddenly leave.

So, we will have to prepare ourselves. We have plenty of resources. We have to train the new generation. Nobody is indispensable. I am today running this organisation. If I don't continue, the company would function and there would be no problem.

There is a feeling that a lot of expatriates are working in Bangladesh and a lot of money is being spent for them. The answer is we have talent. It is possible to groom them. If we can elevate them quickly to a position through right exposure, the need for expatriates would come down.

When I joined British American Tobacco, the top three officials were foreigners. Now, there is only three to four expatriates in the entire company in Bangladesh. The company is running very well and even better than in the past. So, it is possible to replace them. It is our responsibility.

Policy intervention is needed. Every organisation should have the responsibility of how they are developing talents and whether the people being hired from outside are working to develop local talents as well.

DS: Our current generation can't become CEOs overnight. It took 16 years for you. It is a journey. So, how will a corporate set the goal for various small stages?

Munim: We progressed step by step. If we think that we will overnight become CEOs or somebody, we may get distracted. For example, I am now holding a position. My next goal should be to get promoted to the



position currently being held by my direct boss. I have to prepare myself accordingly.

I can't sit idle just by learning my current responsibility. I have to deliver more than I am expected to do. I have to prepare the person below my position so that he or she can replace me smoothly when I move up.

It is a step-by-step growth approach. I have to help the people who report

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Mutual fund units in demand on hopes of reforms

STAR BUSINESS REPORT

Investors rushed to mutual funds in the last few days on growing hopes that the new commission would take reform initiatives to protect the interest of the unitholders.

Their enthusiasm came although the market is yet to overcome the uncertainty caused by the coronavirus pandemic.

The DSEX, the benchmark index of the Dhaka Stock Exchange, dropped 19 points, or 0.30 per cent, to 4,963 yesterday. Turnover, an important indicator of the market, rose 7.12 per cent to Tk 914 crore.

Mutual funds were among the top gainers in the last few days. Mutual funds are investment tools that gather a fixed pool of money from many investors and re-invest them into stocks, bonds and other assets.

TOP GAINERS ON DSE	
SOURCE: DSE	
COMPANY'S NAME	RISE IN %
EBL First Mutual Fund	10
Paramount Textile	9.86
CAPM IBBL Mutual Fund	9.82
SEML Lecture Mutual Fund	9.75
First Janata Bank Mutual Fund	9.25
Popular Life First Mutual Fund	9.25
First Prime Bank Mutual Fund	8.82
PHP Mutual Fund One	8.77
Vanguard AML Rupali Bank Balanced Fund	8.69
Bay Leasing	7.65

EBL First Mutual Fund topped the pack of gainers yesterday after it rose 10 per cent.

CAPM IBBL Islamic Mutual Fund, SEML Lecture Equity Fund, Janata Bank First Mutual Fund, Popular Life First Mutual Fund, Prime Bank First Mutual Fund, PHP First Mutual Fund, and VAML LR Fund also advanced significantly.

Initiatives taken by the Bangladesh Securities Exchange Commission (BSEC), led by its Chairman Prof Shibli Rubayat-ul-Islam in recent times, has instilled confidence into investors.

Investors now hope that the regulator would continue its reform momentum and would do something for the mutual funds. This optimism attracted investors to pour money into the units, said a top official of a merchant bank.

An official of the commission said the regulator is working on mutual fund units. The BSEC has not disclosed any plans officially yet.

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Delta Agrofood to invest Tk 1,200cr in soy, flour production

JAGARAN CHAKMA

Delta Agrofood Industries, a joint venture of SEACOM and Samuda, is set to invest Tk 1,200 crore in the production of various soy and wheat products with an aim to meet the country's growing demand for healthier consumer goods.

Under the fresh investment, Delta Agrofood will establish a new factory to produce both crude and refined soyabean oil, soybean cake, soya milk and flour.

"SEACOM decided to undertake this initiative as wheat has become the second most important food item in the country after rice," said Mohammed Amirul Haque, managing director of SEACOM.

"Since it is a basic industry for any country, we invested in wheat production with a view to develop the agro sector," he added.

As per a market assessment by Delta Agrofood, the domestic demand for wheat has more than doubled over the past six years

due to changing food habits and increased export of baked goods.

This led to a 116 per cent rise in imports as local cultivation fails to meet the country's needs despite having witnessed many significant changes in production, industry insiders said.

Besides, whole grains are rapidly gaining popularity as a healthy alternative to traditional cereals in the face of a rising trend of diabetes and obesity, they added.

Statistically, the daily consumption of wheat has gone up by about 42 per cent from 72 grammes in fiscal 2014-15 to 125 grammes at present, according to the Directorate General of Food and various traders.

The country's annual demand for the cereal currently stands at around 77 lakh tonnes, 85 per cent of which is met through imports, as per data from the National Board of Revenue and Department of Agricultural Extension.

BY THE NUMBERS

Jobs to be created: **1,200**

Per day flour production capacity: **500 tonnes**

Soya seed crushing capacity: **2,500 tonnes**

Edible oil refining capacity: **1,000 tonnes**

A silo will be built with capacity of **100,000 tonnes**

Similarly, the use of soybean oil and soybean cake has increased significantly over the years.

Soybean oil is now the preferred cooking medium in Bangladesh while soybean cake is used as animal feed in the fish and poultry farming industries.

The project, 40 per cent of which is being financed by Pubali Bank, will be developed

across a 35-acre plot in Saidpur of Narayanganj. According to SEACOM's managing director, it was a strategic location owing to the presence of a strong distribution channel.

"We will be able to create around 1,200 jobs with the new production facility. Commercial production is expected to start by end of this year," Haque said.

The per capita consumption of soybean oil in Bangladesh is currently 9.2 litres per annum, which is far below the global average of 25.2 litres.

However, this figure continues to rise in line with peoples' increasing purchasing power, as per a market analysis by LightCastle Partners.

Against this backdrop, Delta Agrofood sees the potential to do well in the business in the coming days even though there are already a number of market players present in the country.

In its analysis, LightCastle also said the demand for edible

oil in developing countries was set to surpass their developed counterparts within the next decade.

The business management firm pointed out the markets of China, India and Bangladesh as examples of places where the demand for edible oil was growing.

Just 30 year ago, the country's entire demand for soybean oil was met through imports but eventually, some entrepreneurs started to refine imported crude soybean oil to locally produce edible oil, said SM Nashir Uddin, general manager of Delta Agrofood.

Now though, some entrepreneurs produce the finished product wholly through local sourcing without making any import, he added.

According to the general manager, just 20 litres of edible oil can be produced from 100 kilogrammes of soybean seed while the leftover soybean cake can be used as food for fish or poultry.

Premier Leasing's classified loans surge 114pc

AHSAN HABIB

Listed non-banking financial institution (NBFI) Premier Leasing and Finance witnessed a staggering 114 per cent year-on-year increase in classified loans in 2019.

The previous year it had stood at Tk 19.35 crore or 25.63 per cent of its total loans.

According to the company's audit report, classified loans accounted for 29.31 per cent, or Tk 41.51 crore, of the total loans, leases and advances disbursed in 2019.

This is far above the NBFI sector's average non-performing loan (NPL) rate of 10.50 per cent.

Bangladesh Bank gave the Premier Leasing and Finance until

2022 to secure an adequate loan loss provision.

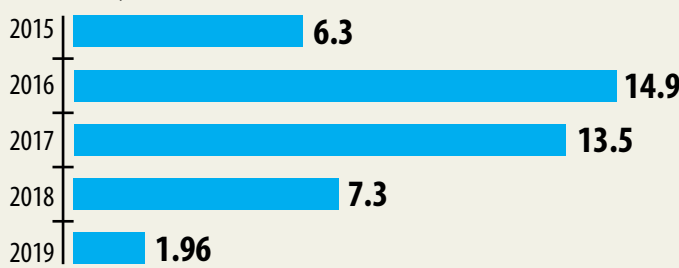
However, the provisioning required was Tk 338.66 crore, of which the company maintained just Tk 45.96 crore as of December 31, 2019. And so now the company, which had a paid-up capital of Tk 132.9 crore that year, now faces a Tk 292.7 crore shortfall in its provision on leases, loans, and advances.

In 2018, the Premier Leasing and Finance maintained a provision of Tk 44.33 crore against its Tk 150.16 crore requirement.

"Some big borrowers were struggling to repay loans so their loans were classified," said Abdul Hamid Mia, managing director of the Premier Leasing

PROFITS OF PREMIER LEASING

In crore taka; SOURCE: DSE



and Finance.

Besides, the sector is suffering from a liquidity shortage and so the company failed to enhance its loan portfolios, he added.

Whenever there is a cash crunch in the banking sector, the rate of loan and advance disbursements falls, Hamid told The Daily Star recently.

At the end of 2019, the Premier Leasing and Finance reported that its total loan, advance and lease disbursements dropped 2.41 per cent to Tk 1,238.58 crore.

During the same period, the company's profits plunged 80.78 per cent to Tk 1.96 crore.

Meanwhile, as per an audit report, the Premier Leasing and Finance did not maintain a workers' profit participation fund for 2019 due to a shortage of funds for the required provision on loans.

There is also a tremendous lack when it comes to the NBFI's ability to collect receivables from margin clients for its securities subsidiary, most of which was provided during the stock market crisis in 2010.

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