Don't walk away from problems -- be a force for good

Standard Chartered Bangladesh's CEO Naser Ezaz Bijoy shares his thoughts at The Daily Star's The Chief Executive Show powered by Marico

Dwoha Chowdhury

The ship-breaking industry of Bangladesh employs around two lakh workers and meets about a quarter of demand for scrap metal in the steel industry that relies heavily on imports for raw materials.

Ship-breaking yards saw frequent hazards due to an unsafe working environment, and this led many banks to stop financing the industry decades ago as they did not want to be a part of a dangerous working condition.

But Standard Chartered Bangladesh decided to stay, for a good reason.

It made the clients understand the importance of putting in place a safe working environment and complying with regulations, as it would be good for the industry and also for the bank to keep supporting industries.

"It's very easy to walk away from problems. And if you walk away, things don't improve, and problems remain there," said Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh.

"But in Bangladesh, the ship-breaking industry plays a vital role, and that's why we had thought of becoming a force for good rather than walking away."

"When we asked them to follow safety protocols, many refused. Those who stayed with us and complied with the regulations are more sophisticated now and leading the market."

There are now visible changes between the yards owned by the clients that complied with the regulations and those that did not, he said.

Naser said the culture of not walking away from problems shows goodwill, and he believes that it is essential for the CEO to walk the talk to drive the culture.

"If I say one thing and do the opposite, intelligent clients and colleagues will pick it up, and I will lose altogether," said Naser, who has been serving the bank for more than 28 years.

"Being upfront, even after making a mistake, is important."

Even though the bank has achieved massive success in the past 115 years of operating in Bangladesh, the top brass of the financial institution believes that the future is going to be different and one cannot rest on past laurels.

So, the bank has formed a group consisting of employees who are millennials, typically thought of as those born between 1984 and 1996.

Millennials account for 67 per cent of the 2,100-plus strong workforce of the bank in Bangladesh. The group has been formed to help them share ideas with the CEO.

The group is helping implement the locally-

Naser Ezaz Bijoy

driven initiative that involves robotic process applications, machine learning and artificial intelligence.

The coronavirus pandemic accelerated the pace of change and to adopt with the new normal, a new project to digitalise all processes has been taken up at the bank.

Since the bank's foray in Bangladesh in 1905, it stands first for many new things like debit and credit cards, 24-hour customer care service and online banking.

But that's not the end. Recently, the bank has introduced blockchain for trading and remittance as the first bank in the country.

"To do new things, a partnership is vital. We never think that we can do everything independently," said Naser, who became the CEO in November 2017.

"Fintech is not our competitor. We need a partnership with fintech so that we can leverage each other's strength."

Moreover, to bring in new ideas, the CEO asked all management team members to come up with three new initiatives that will be first in the country.

In financial organisations, the number plays a vital role in terms of performance and newbies are most of the time are terrified of the numbers.

Naser, who started his career with the international bank as a graduate intern in 1992, said that only 50 per cent of an individual's performance relies on numbers while the rest are qualitative issues.

"To newbies, insights are important as these tell you about your future trends. Be a critical thinker, correlate thinking with the number and then start simulating to become prepared for the future."

According to the banker, success is something that makes someone feels good, while achievement is aligned with purpose.

"Organisations like StanChart always have performing people, but the way of

THE CHIEF EXECUTIVE SHOW

achievement is more important and that left legacy behind," he said.

In that aspect, he prioritises the code of conduct.

"It's like a simple test. Whatever you're doing, if it is shown on the TV that your spouse and children get to watch, will you be proud?" he asked.

"You cannot train people about the code of conduct; it's a culture that you demonstrate in everyday practice."

He believes that mentoring plays a significant role, but there must be sponsorship as well.

"Combination of mentorship and sponsorship can correct the inequality in any organisation, especially in the perspective of gender," he said.

Only 13 per cent of employees in the banking sector are female, and the number is even lesser in the top level. But Standard Chartered Bangladesh has taken corrective steps, said the CEO.

"I'm initiating a cross-industry mentorship. I think it would be great to make it institutional."

In early life, Naser never thought of becoming a corporate leader as he was more dedicated to sports during his youth.

After completing HSC from Notre Dame College in 1987, he admitted to Dhaka City College's commerce faculty.

"I was an average student. I was more passionate about sports than study," said Naser, who later got admission to the Institute of Business Administration under the University of Dhaka and obtained his MBA degree.

Even during his days at the country's top business school, he never thought of becoming a CEO someday. Rather, he aimed at completing the MBA and get a good job so that he can get married to her fiancée early.

He described his journey with the bank as a series of coincidence.

His father told him to pursue a career at an organisation that could give international exposer. For an internship, he was selected for Novartis, and one of his classmates was selected for StanChart.

"I had no significant plan, so when she asked me to exchange internship options, I said okay. After coming to StanChart, I fell in love with the organisation, and it's been 28 years."

Naser served the bank in Bangladesh, the United Arab Emirates, Mauritius and Vietnam.

"When you really like your organisation, it doesn't remain a job anymore," he said.

About becoming the CEO of the bank's country office, he said, "I think it's a huge privilege to become a CEO in my own country and that's a different type of happiness."

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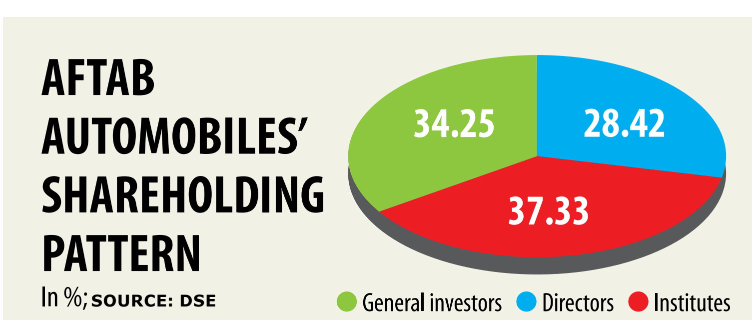
Aftab Auto stock jumps as directors move to meet shareholding requirements

Star Business Report



Stocks of Aftab Automobiles rose following the announcement that its directors would meet the minimum shareholding requirement set by the Bangladesh Securities and Exchange Commission (BSEC).

The automobile company's share price soared 6.61 per cent to Tk 25.80 yesterday, according to Dhaka Stock Exchange (DSE) data.

Three directors of Aftab Automobiles previously declared that they would buy 15.12 lakh shares in the company at the prevailing market price within 30 working days.

Considering the current market price, these shares are worth around Tk 4 crore in total.

The directors -- Sajedul Islam, Saiful Islam and Khaleda Islam -- aim to purchase 4.78 lakh, 5.55 lakh and 4.78 lakh shares respectively.

"They are buying the stocks as they committed to the BSEC to fulfill its condition of holding minimum 30 per cent shares," said a top official of the company preferring anonymity.

In 2011, the market regulator ordered all sponsors and directors to individually hold a minimum 2 per cent stake in their companies and 30 per cent jointly.

However, none of the directors or sponsors followed the order despite repeated notifications from the commission.

The present commission had fixed October 27 as the deadline to fulfil the collective minimum shareholding requirement but later extended it by a month.

On November 25, the BSEC decided to restructure the boards of the companies that failed to hold a collective 30 per cent stake in their firms.

The directors of 43 companies had to meet the minimum shareholding condition by the deadline but some companies sought for more time while promising to buy the shares.

"We are one of them who informed the BSEC that we would fulfil the condition," the official said.

At present, the directors of Aftab Automobiles hold 2.72 crore shares, or 28.42 per cent of the listed automobile company's total shares.

Among the 28 companies who are yet to fulfil the condition, the directors of Olympic Accessories, Tallu Spinning have already increased their holdings while some others are taking preparations, according to the BSEC.

Aftab Automobiles incurred losses of Tk 0.20 per share in the July-September quarter of the current financial year while it booked a profit of Tk 0.30 per share in the same period the previous year.

The company's sales revenue also dropped during that period due to the ongoing coronavirus pandemic, it said in a disclosure published on the DSE website yesterday.

Govt vehicle purchase halted till June 2021

Rejaul Karim Byron *and* Jagaran Chakma

The government's decision to suspend purchase of new and replacement vehicles under all expenses has been extended for the remaining half of the current fiscal year to reduce unnecessary expenditure in the face of a second wave of the coronavirus pandemic.

This goes for government, semi-government, autonomous and other agencies until June 30, 2021, says a finance ministry circular issued on Thursday.

The ministry had previously decided to halt purchase of new vehicles under all operating and development expenses until December 31, 2020.

The economic devastation resulting from the pandemic-induced lockdowns has compelled the government to embrace austerity.

At an Ecnec meeting last week, Prime Minister Sheikh Hasina asked for dropping unnecessary expenses alongside projects deemed not necessary under current circumstances.

She asked ministries to cautiously undertake new projects as the government would have to spend a considerable amount of money to procure Covid-19 vaccines to immunise the whole nation.

Earlier in July the government had decided to put a hold on implementing low-priority development projects amidst widening revenue shortfalls.

It was to free up funds for productive sectors and allocate additional money for those combating the pestilence.

The cost-cutting would continue during this fiscal year as there is no sign of the contagion petering out.

The government allocates fund for purchasing vehicles against almost all projects under the Annual Develop Programme (ADP). On an average, 400 new projects are incorporated under the ADP.

As winter creeps in, new Covid-19 infections have been increasing for the past three weeks.

At least 13,218 samples were tested across the country in the last 24 hours, putting the current positivity rate at 12.60 per cent while total positivity rate at 16.68 per cent.

Meanwhile, 2,552 patients have recovered.

Since March, 477,545 people got infected in Bangladesh till date. The number of recoveries stands at 395,960, with the recovery rate being 82.92 per cent.

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ECB to beef up stimulus as second virus wave bites

AFP, *Frankfurt*

The European Central Bank is set to unleash more stimulus for the eurozone at its last meeting of the year on Thursday, as the region's battered economy grapples with a second coronavirus wave.

ECB chief Christine Lagarde in October all but promised that extra support was on the way, when she said the Frankfurt institution would "recalibrate" its instruments in December.

The ECB will also unveil fresh economic forecasts likely to have been revised downwards after a spike in virus cases forced renewed shutdowns across Europe, although the prospect of mass vaccinations from next year could brighten the longer term outlook.

Analysts widely expect the ECB's governing council to add another 500 billion euros ($600 billion) to its 1.35-trillion-euro pandemic emergency bond-buying programme (PEPP), and extend it beyond the current deadline of June 2021.

European Central Bank President Christine Lagarde

The purchases are aimed at keeping borrowing costs low to encourage spending and investment and bolster economic growth. The ECB could also offer more ultra-cheap credit to banks for longer under a scheme known as TLTROs, whereby banks get loans at highly favourable interest rates in return for lending on to the wider economy.

The central bank is all but certain to keep interest rates at historic lows, but may increase its pre-pandemic asset purchases from the current 20 billion euros a month. At Thursday's press conference, Lagarde is likely to reiterate pleas for governments to share the load through fiscal stimulus, as EU member states bicker over a 750-billion-euro recovery fund that has been blocked by Poland and Hungary.

The ECB will be "under pressure to do more while the European budgetary policy response is lagging behind," said Pictet Wealth Management strategist Frederik Ducrozet.

The ECB's last round of projections in September forecast 3.1 percent quarter-on-quarter growth in the fourth quarter of 2020.That number has become outdated after countries reintroduced virus restrictions that once again shuttered businesses and kept people at home across the 19-nation bloc, unravelling a recovery that had started over the summer. On the bright side, successful vaccine trials have raised expectations that mass inoculations could start in Europe in early 2021, slightly behind Britain and the United States, paving the way for a reopening of the world's economies.

"The more positive prospects on the back of recent vaccine news could lead to an upward revision of the ECB's growth projections" for the second half of 2021, said ING bank economist Carsten Brzeski. But policymakers are acutely aware that any upsets in the Covid-19 vaccine rollout could again derail the economy.

"The recovery may not be linear, but rather unsteady, stop-start and contingent on the pace of vaccine rollout," Lagarde has said.

The uncertain outcome of EU-UK talks on post-Brexit trade after December 31 adds another risk to the outlook. Lagarde can expect to be grilled on Thursday about the ECB's ongoing struggle to push inflation up to its target of just below two percent.

Eurozone inflation remained at -0.3 percent in November, Eurostat data showed, the fourth consecutive month of falling prices.But even before the pandemic, inflation stayed stubbornly low, fuelling calls for a rethink at the ECB.

Sony to shut a Malaysia factory, consolidate facilities

Reuters, *Kuala Lumpur*

Sony Corp will close a factory in Malaysia next year to consolidate its operations in its other plant in the state for efficiency, the Japanese electronics giant said on Saturday.

The company told Reuters in an email to Reuters that it always takes into account market conditions, business growth potential and other factors, as part of a continuous review of its investments and business operations.

"As part of this review, Sony will consolidate its manufacturing operations by transferring its operations in Penang to Selangor, to further enhance operational efficiency," said Penang-based Human Resources Division head Ric Ong.

REUTERS/FILE

Sony Corp's logo is seen on its Crystal LED Integrated Structure display at its headquarters in Tokyo.