Star BusinesS

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Accolades for corporate champions

STAR BUSINESS REPORT

Speculation was rife about the probable winners when guests were waiting anxiously at Pan Pacific Sonargaon Hotel just before the announcement of this year's Bangladesh Business Awards yesterday.

Mercury went low when anchor of the gala function Aly Zaker requested UK High Commissioner to Bangladesh Anwar Choudhury to announce the winner of Enterprise of the Year 2004.

The UK envoy announced Incepta Pharmaceuticals Ltd as Enterprise of the Year 2004. Light beamed on Incepta Pharma's Managing Director Abdul Muktadir amid deafening sound of clapping.

Then came Rokia A Rahman, president of Women Entrepreneurs' Association of Bangladesh, to announce the winner of Outstanding Woman in Business of the Year 2004 Award. She declared Selina Quader, proprietor of Agroconcern, an agro-product company in Chuadanga, as the winner.

As suspension ran high to know the rest of the two recipients, co-anchor Anila Huq, managing director of ad firm Andes, promised guests of a multi-cultural dance which can compensate the tension for waiting.

After 15 minutes of electrifying dance that made guests move in rhythm, it was the turn of US Ambassador Harry K Thomas to announce the winner of Special Achievement Award 2004. The ambassador declared Unilever Bangladesh as recipient of the newly introduced award. Chairman and Managing Director of Unilever Bangladesh Sanjiv Mehta received the award.

The big one was yet to be announced. Guests started whispering when Aly Zaker approached Samson H Chowdhury, chairman of Square Group, to request him to declare the winner. Chowdhury, the winner of 2001 version of the award in the same category, announced Kazi Zahedul Hasan, managing director of Kazi Farms Group, as 'Business Person of the Year 2004'.

For businesspeople and winners it was a day of elation and recognition and for the organisers, The Daily Star and DHL Worldwide Express, it was an event to salute the corporate maestros who are contributing to the nation building efforts.

The four winners of Bangladesh Business Awards 2004

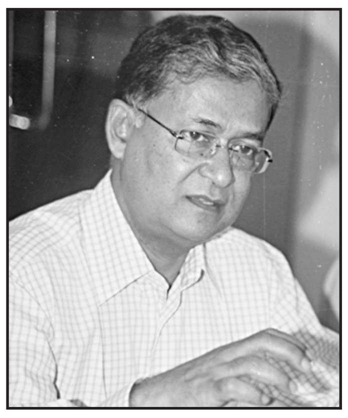
Business Person of the Year

Kazi Zahedul Hasan, managing director of Kazi Farms Group, received the 'Business Person of the Year 2004'.

In 1996, Hasan started his poultry farm Kazi Farms Limited with an initial capital of Tk 12.82 million. Nine years down the road the Kazi Farms Group has a working capital worth Tk 340.40 million and seven parent farms: one in Gazipur, four in Thakurgaon and two in Tentulia, as well as five hatcheries in Gazipur, Sylhet, Gopalganj, Sirajganj and Chittagong.

The group dominates about 35 percent of the total market share and produces about 1.2 million broiler and egg-laying chickens every week. Kazi Farms also has a well-equipped poultry laboratory.

Kazi Farms is the brainchild of Kazi Zahedul Hasan, an engineer with a master's degree in Architecture from Harvard University. He was a professor of the Department of Architecture at Bangladesh University of Engineering and Technology, Dhaka, and in the School of Environmental Design, King Abdul Aziz University, Jeddah, Saudi Arabia.



Kazi Zahedul Hasan, managing director of Kazi Farms Group

Outstanding Woman in Business of the Year

Selina Quader, proprietor of Agro-concern, was awarded the 'Outstanding Woman in Business of the Year 2004'

It all started as a hobby for Selina Quader who started growing vegetables on a piece of fallow land at her house in Chuadanga in 1984. Being married to an agro-scientist it was easy to get appropriate advice on how to grow the best quality vegetables for her organic garden. Soon it became a passion and then a thriving business.

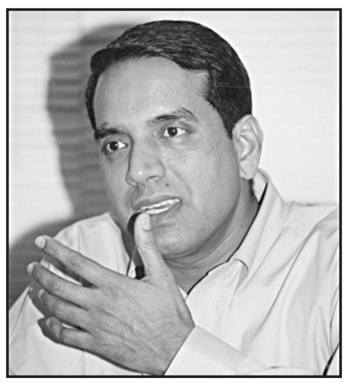
Selina Quader, proprietor of Agro-concern

In 1985, Selina started her modest business with an initial investment of Tk 5,000 only. Satisfied with the return from her small investment, Selina quickly expanded and included crops such as cabbage, cauliflower, papaya and potato. Today, with current capital and permanent assets amounting to Tk 25 million, Agro-concern is one of the few private companies exporting potatoes to Singapore and Malaysia.

Selina, 58, is also very keen to seek joint venture projects for food processing and seed industry development.

Enterprise of the Year

Incepta Pharmaceuticals Ltd was awarded 'Enterprise of the Year 2004'. Incepta, a leading pharmaceutical company in Bangladesh, came into being in 1999 and started commercial operation in 2000.



Abdul Muktadir, managing director of Incepta Pharmaceuticals Ltd

In just five years Incepta has grown considerably with an initial investment of Tk 30 million increasing to Tk 800 million by 2005. The company, which now employs 1,496 people, will export its products soon.

Profit wise, Incepta's performance has been impressive. By 2004 its profits reached Tk 120.58 million and turnover increased from Tk 4.5 million in 2000 to Tk 1,210 million in 2004.

Abdul Muktadir, managing director of Incepta Pharmaceuticals Ltd, received the award on behalf of the company.

Special Achievement Award of the Year

Special Achievement Award of the Year 2004 went to Unilever Bangladesh Limited (UBL).

Unilever Bangladesh, a subsidiary of the global FMCG giant Unilever, has witnessed a double-digit growth over the last six years. It has been one of the fastest growing businesses for Unilever in Asia and has developed leading edge marketing and management practices that are being emulated by other Unilever companies.

UBL not only leads the performance chart for Unilever in entire South Asia but has been the best performing business in Asia and Australasia in 2003.

Sanjiv Mehta, chairman and managing director of Unilever Bangladesh

UBL, a Tk 800 crore company, adds glory to the phrase 'Made in Bangladesh'. Its brands such as Lux, Lifebouy, Sunsilk, Closeup, Wheel, Ponds, Fair and Lovely are household names in the country.

Chairman and Managing Director of UBL Sanjiv Mehta received the award on behalf of the company.

India, China agree to liberalise air traffic flow

PALLAB BHATTACHARYA, New Delhi

India and China have agreed to liberalise the flow of air traffic between them allowing coverage of more destinations and Indian private carriers to fly to the dragon land.

The agreement was reached at the two-day talks concluded here on Thursday on bilateral air services between top civil aviation officials of the two countries to enhance flight frequency and number of destinations of the airlines.

The revised bilateral air services agreement would have provisions for multiple designations of airlines, which would allow private Indian airlines like Air Sahara and Jet Airways to fly to China.

Under the new agreement, the airlines of the two countries will be able to fly to destinations in addition to Beijing, Shanghai, Delhi and Mumbai. As of now, most of the air traffic between India and China were routed through South East Asian destinations.

A formal accord on the liberalized air traffic rights is likely to be signed during the visit of a high-level Chinese delegation next month.

A statement issued after the talks said the necessity to strengthen civil aviation services between India and China assumes great significance in view of the fast growing trade and tourism between the two countries.

China manufacturing units pushing demand for more oil

AFP, Shanghai

Record high oil prices have been partly driven by China's voracious appetite for energy needed to fuel the manufacturing industries powering breakneck growth in its economy, analysts say.

Oil is a top strategic concern for China as it looks to maintain growth rates at around the 9.5 percent level achieved in 2004, its fastest rate in eight years.

Behind the economic surge and the ensuing spike in oil demand are the nation's manufacturers, which rely heavily on energy to meet the booming demand for autos, steel and electronic goods.

China's leaping trade surpluses reflect how production of components and goods, many made by foreign giants like Intel or Sony who have set up here to capitalise on a cheap and abundant workforce, has ramped up demand for oil.

Adding to this production frenzy is demands from the nation's burgeoning middle class for air conditioners, refrigerators, VCD players, cars and even air travel, analysts say.

This forced China, already the world's second largest oil consumer after the United States since 2003, to become a net importer of oil 12 years ago.

Connecting the unconnected through cost reduction

ABU SAEED KHAN

Today there are 1.5 billion cellular mobile telephone users, representing 25 percent of the global population. "Seventy-eight percent of them use GSM technology followed by 14 percent CDMA and six percent TDMA users," says Michelle de Lussanet, Principal Analyst of Forrester Research at Cambridge, Massachusetts, USA.

Pride of its dominance in the worldwide mobile market was vividly prominent in this year's week-long fifth GSM World Congress in Cannes, France last month. It took the GSM industry ten years to gain first billion customers, which had happened in February 2004. Then it kept on adding monthly 26.8 million clients and the total figure became 1.268 billion by December 2004.

Additional 3.5 billion people live under the mobile network coverage, who cannot afford a connection. Michelle de Lussanet says if the handset makers and the mobile operators provide cheap phones and services, it would be possible to connect these low-income consumers of the developing countries. She also urges these governments to slash taxes from mobile equipment followed by rationalising the regulatory parameters.

The GSM Association (GSMA) has identified handset cost as the single biggest barrier to mobile communications affordability in emerging markets. To overcome this, GSMA has created the Emerging Market Handset Programme. Distribution of ultra-low cost handsets in the emerging markets is this programme's objective.

The GSMA has selected Motorola to supply ultra-low cost handset that is optimised for durability, long talk time, and design preferences of emerging markets. Motorola will start delivering during the second quarter of this year at a price point below $40 (ex factory) and has a strategic intent to work with GSMA members to develop handsets at below $30 price points.

Initially six million of such low-cost handsets will be distributed in six months through nine mobile operators including GrameenPhone and Banglalink of Bangladesh and Bharti of India. The GSMA hopes once the critical mass is achieved, the ultra-low cost market segment will add more than 100 million new connections annually. Michelle de Lussanet predicts that two billionth mobile users will sign up by 2007 from the developing world.

"Ultra-low cost market generates five dollars of monthly average revenue per user," explains Kristian Tear, South East Asia President of Ericsson, the world's largest mobile network equipment maker. He believes the capital and operating costs reduction, without compromising the network's quality and migration path, ensures low-cost services.

"Bangladesh amazes me," Kristian says. "Village Phone, under the "Palli Phone" brand, was launched in 1997 long before the official definition of MVNO (Mobile Virtual Network Operator) was born." An MVNO buys network capacity from a mobile operator and offers its own branded mobile services.

"GrameenPhone's mobile-to-mobile service has redefined universal access and showed practical alternative to grow" he continues "Bangladesh mobile market took six years to get first one million customers. The second million was added in just one year and it is growing!"

Kristian Tear believes Bangladesh will have 15 million mobile subscribers by 2007 and his team is closely working with the leading operators to achieve that goal. Ericsson is the sole supplier of GrameenPhone's and a major vendor in AKTEL's mobile networks.

"We bundle cutting-edge products with unique services," Kristian says. Ericsson's mobile softswitch reduces up to 50 percent of the operator's core network operating expenditures. Typically, operators spend 60 percent of their income on operating expenses. "This savings enable operators to grow traffic and maintain margins even as voice tariffs are steadily decreasing," Kristian Tear explains.

Ericsson's "Managed service" significantly reduces the operating cost. In 2004 Bharti of India closed a $400 million deal with Ericsson for managed services and equipment supply. This year, on February 16, Bharti has extended that deal.

Besides supplying its locally produced core and access network, Ericsson will design, deploy, integrate, optimise and manage Bharti's network. "This package gives more economies of scale and would further improve our cash flow," says Akhil Gupta, Joint Managing Director, Bharti.

Another innovative network solution is "Ericsson Expander" for further cost reduction. It helps operators minimising the number of sites through superior coverage. Thus it drastically reduces operating and capital expenditures, without compromising network performance and quality of service.

Kristian Tear gave a recent Latin American example. Colombia Telecomunicaciónes have successfully deployed Ericsson Expander to enable cost-efficient coverage in Colombia's rural areas. "By incorporating the Expander solution it has been possible to drastically reduce operational and capital expense," he said.

Danny Briere, CEO of US consulting firm Telechoice, echoes Kristian, "The cellular operator is now saying 'you've sold us the gear, what else can you do for me?' It's about strategic consultancy and building a relationship, that's the differentiator."

Such "differentiator" in cellular mobile industry is as critical as the budget handsets to connect the unconnected population. It ensures the operating sustainability of the affordable mobile telephony services. The next billion potential global mobile customers, including the millions in Bangladesh, are in waiting.

---THE WRITER IS A TELECOMS ANALYST

PASSWORD

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Russia keen to invest in power, energy sector of Bangladesh

BDNEWS, Chittagong

Russia has expressed its keen interest to invest in power, gas and coal sectors of Bangladesh.

Russia is also interested in setting up another power unit at Siddhirganj and repairing the power station at Ghorashal.

Olig S Malginov, Russian ambassador to Bangladesh, yesterday expressed the interest at a function in Chittagong on the occasion of marketing of 'Kamaz', a Russian brand of car.

The ambassador stressed the importance of increasing economic activities between the two countries in order to strengthen bilateral relations.

Pakistan's forex reserves up

REUTERS, Karachi

Pakistan's foreign exchange reserves jumped by $335 million in the week ending March 12 to an all-time high level of $12.969 billion, the central bank said Friday.

Syed Wasimuddin, chief spokesman of the State Bank of Pakistan, said an inflow of $103 million from the Aga Khan Economic Development Fund (AKEDF) last week supported the central bank's reserves.

In December 2003, the AKEDF bought 51 percent stakes in unlisted Habib Bank Ltd. for 22.4 billion Pakistan rupees ($377.3 million).

It paid 11.4 billion rupees at the time of the deal, while the remaining amount was to be paid in two years.

Vietnam to scrap import quota on cotton, corn

REUTERS, Hanoi

Communist Vietnam will scrap import quotas on cotton, corn and milk next month as it pushes hard to become a member of the World Trade Organisation, state radio reported Friday.

"Milk and cotton are among the items paid special attention by the partners in bilateral negotiations such as the United States and New Zealand," the Voice of Vietnam quoted a trade expert as saying of WTO entry talks.

KL to hire one lakh Pakistanis to plug labour vacuum

AFP, Kuala Lumpur

Malaysia plans to recruit 100,000 male Pakistanis to relieve an acute labour shortage caused by a crackdown that sent hundreds of thousands of illegal workers fleeing, reports said Friday.

The government's decision came amid fears that the labour crunch, which led to industry losses running into hundreds of millions of dollars, could further aggravate a slowdown in economic growth this year.

Home Affairs Minister Azmi Khalid was quoted by The Star as saying the government had picked Pakistan as a source for foreign labour because it has extensive experience in providing workers to foreign countries and managing them abroad via its Overseas Employment Corp. (OEC).

"We have asked Pakistan to compile a list of suitable workers for all sectors in Malaysia. The OEC has a complete database on new workers entering the job market as well as workers returning from overseas," he said.

The Pakistanis will be allowed to work in all sectors including construction, manufacturing and services, he said.

The New Straits Times said the cabinet has been informed that about 200,000 workers were needed in the manufacturing sector, 150,000 in construction, 50,000 in plantations and 20,000 in the services sector.

A special cabinet meeting is expected to be held March 24 to discuss the issue, Azmi said.

The labour shortage follows an exodus during a three-month amnesty programme which ended on March 1 of nearly 400,000 illegal immigrants, mostly from Indonesia but also from the Philippines, Myanmar, Bangladesh, India and Sri Lanka.

A similar number are believed to remain in the country, but many are in hiding as the authorities are hunting them down, and dozens have been sentenced to prison terms and whipping.

The government had proposed that the Indonesians could return to work here legally once they have been processed in their own country, but has complained of delays in the system. Indonesians are preferred by Malaysia employers, partly because they speak the same language as Malaysians.

The president of the Malaysian Malay Businessmen and Industrialists Association, Moehamad Izat, has warned the labour shortage could "disturb the growth of the economy".

The Malaysian economy expanded 7.1 percent in 2004, its fastest pace in four years, but growth is expected to moderate to six percent this year.

India seals FTA with South American bloc

AFP, New Delhi

India will Saturday sign a free trade deal with the South American Mercosur bloc, Indian Trade Minister Kamal Nath said Friday.

The agreement will be signed on the sidelines of a two-day G-20 (group of 20) ministerial conference being attended by South American trade ministers in the Indian capital.

"We will sign the agreement on Saturday to operationalise an India-Mercosur preferential trade agreement," Commerce Minister Kamal Nath told reporters.

In March last year, India signed a preferential customs duty accord with the South American grouping covering over 600 products in the agricultural, chemical, automobile and pharmaceutical sectors as a precursor to sewing up a free trade pact.

"The trade agreement which flows from the customs duty accord will expand and strengthen our existing relations with the Mercosur countries by granting reciprocal tariff reductions and market access," said Nath.

Mercosur -- including Argentina, Brazil, Uruguay and Paraguay, with Chile and Bolivia as associate members -- signed a framework trade accord with India in Asuncion last year outside the process of World Trade Organisation talks.

India and Brazil were leaders among developing countries which banded together at the failed WTO talks in Cancun in September 2003 to press the developed world to phase out farm subsidies.

The Cancun talks collapsed after delegates failed to agree on eliminating farm subsidies in industrialized nations and proposals to extend the WTO mandate to cross-border investment.

The Mercosur countries have been seeking free trade deals among developing countries as a way of offsetting the trading clout of developed nations.

India and Brazil have already signalled that they will sit on the same side of the fence in the United Nations and WTO.

Beacon Pharma to focus on anticancer drugs

Beacon Pharmaceuticals Ltd will focus on manufacturing anticancer drugs, says a press release.

The company hopes to market its anticancer drugs from October this year.

The local pharma company has an advanced effluent treatment plant, which is capable of neutralising the total industrial waste generated during the production period.

Designed by a European consulting firm, the plant is centrally monitored and fully automated and is built with the help of building management system of USA.

Citibank to buy Insular Savings Bank in Philippines

Citibank has announced that it will buy Insular Life Savings and Trust Company (Insular Savings Bank) in the Philippines. The acquisition has received approval from the Monetary Board of the Bangko Sentral ng Pilipinas and the consummation, subject to customary conditions, is expected to take place in May 2005.

With the acquisition of Insular Savings, Citibank will gain 36 branches in key areas nationwide, bringing its total number of retail branches in the Philippines to 42, says a press release.

Insular Savings is a medium-sized savings bank with total assets amounting to US$92 million as of December 2004. It is wholly-owned by industry pioneer, Insular Life Assurance Co Ltd, the third largest life insurance company in the Philippines.

Emirates offers one night free stay in Bangkok

Emirates extends an offer of one night free accommodation in Bangkok for passengers flying to and from Sydney by its new flights.

The special offer will be valid for all passengers from March 29 to June 30, 2005.

Travellers flying Emirates' first and business class will enjoy one night complimentary stay at Shangri-La Hotel while the first class passengers will be offered drinks, snacks, meeting rooms and other extra business facilities, says a press release.