

# Number One

SARWAR AHMED

You shouldn't be going to Hong Kong, I cautioned Saria Sadique, as we met at Dhaka airport's international departure lounge. It was early 2003 when the SARS epidemic was at its height, originating in China and had spread throughout the region, including Hong Kong. With a smile on his face, he shrugged off the danger and replied, "I have to go as I have been posted to our Regional Headquarters in Hong Kong as Regional Marketing Manager."

One of the first Bangladeshis to have made it to BASF's region office, Saria managed businesses of 16 countries in Asia Pacific, netting in sales from 18 million to nearly 100 million euros in just 3 plus years. This was an outstanding milestone for BASF's business in the region, which set the foundation for a solid business growth well into the future. For Saria, this stint in HK helped broaden his horizon to view business on a global scale.

Globally BASF is the number one chemical company. Under Saria's leadership, BASF holds the same number one rank as the preferred chemicals supplier in Bangladesh. As he says, BASF is everywhere and an invisible partner of all visible things in life. With a 40 years old footprint in Bangladesh, BASF makes its presence felt in almost all manufacturing sectors. What is the secret of success?

Saria paused as he thought over to voice his views. Running a business is a 24/7 job, he reflected. His responsibilities lie in balancing customer and employee expectations, adhering to the law of the land, ensuring a socially responsible operation and at the end of the day,

grow and be profitable. Striking this balance is like juggling several balls. Dropping any ball will result in a negative impact. As such, Saria's focus in running the business is to ensure an open door policy for all stakeholders. This smoothes flow of information, be it personal, identification of a weak area of the organisation or a simple cost-saving idea. He believes these small accumulated inputs are a driving force behind the growth and success of his organisation.

As a leader, Saria strongly believes in and practices leading through example. We must ask others to do something only when we personally believe in and act upon it, he says. Leadership is not about leading only. A leader first has to be a better human being. Leadership is caring for others, opting for the best option for them and ensuring accountability for everyone, including the leader. A good leader always is accountable to his conscience. Saria emphasises, leadership is not about winning but choosing what is best for the team and not an individual.

As soon as he passed his graduation, his father prematurely passed away. An honest government officer, his late father had left a pittance for the family. His dream to be a scientist fell through as Saria was cast out from the warmth of his familial cocoon to support his family. He began a career as a Professional Service Representative of Pfizer in Tangail. Due to his superb doctor, chemist relationship and exponential sales growth, the divisional sales manager did not allow him to be transferred anywhere else during his three years in Pfizer! Along with this drive for excel-

lence, Saria used to motorbike to Dhaka from Tangail to complete his M.Sc. in Bio-Chemistry. He recalls these grueling, strenuous days as the pinnacle of learning which has given him the sense and feeling of on ground reality.

After a two-year stint in supply chain with Rhone-Poulenc, he joined BASF in 1990. During his job interview, the expatriate managing director challenged him with a target to double the business of BASF Fine Chemicals to a million deutch marks in three years. Before the first year was out, the managing director was all smiles as Saria crossed the million mark sales and went on to grow the business to 3.5 million DM in the next two years.

Saria continued to study for his evening MBA at IBA. He graduated in 1995 with the highest CGPA among marketing major students. A senior BASF manager was transferred abroad in 2003. Saria's German boss gave him the responsibility to manage a business division. Saria was the youngest in BASF Asia Pacific to be given this onerous responsibility and he had to prove his mettle within the next six months or else, a German will be brought in. With excellent teamwork he delivered a stellar performance achieving sales of \$20 million.

In mid-2006 the local BASF organisation faced a pyretic setback as the senior management team was shown the door. Its profitable manufacturing facility had closed down. Motivation of employees was severely low, not knowing the direction and future of the company. Saria was sent back to Bangladesh from Hong Kong to lead and restructure the company.

He had to start from the



Saria Sadique

scratch. Leading at the front, spending time extensively with colleagues, giving direction, motivating and mentoring, Saria sketched out a vision of growth. Earning his colleagues' trust, they gave their best, bringing in phenomenal results. With his handpicked team, BASF is growing at 20 percent per annum and customers

preferring BASF as their number one supplier and solutions provider. Deeply religious and content with life, Saria is happily married to Dr Naheed Tawhida an anesthesiologist. Blessed with a girl Saraf, who is 14, and a boy, Nadeed of 9 years, work-life balance is important to both working parents. To imbibe

their children with right values, our culture and beliefs, the parents give priority in spending reasonable time with them. Naheed and Saria want their children to be fit as world citizens and be proud of being a Bangladeshi.

The writer is managing director of Syngenta Bangladesh Ltd.

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# What to expect in 2011

PAUL DONOVAN, for Reuters

Markets started 2010 with a fear of a "double dip" recession. Investors feared a repeat of the Great Depression of the 1930s. Even in faster growing regions like Asia there was pessimism. Economists' predictions of positive growth were dismissed as fantasy.

Of course, economists were right (economists normally are). Growth came back. The world economy grew around 4 percent in 2010, just above its trend growth rate of 3.5 percent. The world economy should grow around trend in 2011, with a 3.7 percent rate of growth.

Growth in 2010 was led by policy stimulus. Fiscal policy helped growth in the OECD in the early part of the year. A limited inventory restocking led to stronger growth in global trade (most economies export to inventory demand, not to consumer demand).

Neither of these trends is likely to continue in 2011. Fiscal policy is tightening in many OECD economies. Inventory restocking is largely completed. The decline in inventory to sales ratios is already generating disappointing export numbers from countries like Korea, Taiwan and (recently) Germany.

So what issues are likely to matter in 2011? From the maelstrom of events, six potential trends for investors suggest themselves.

**1. The return of the consumer**  
Growth, particularly in the United States, will depend on consumer demand. Those US consumers who have a job (which is most Americans) are generally doing well. Incomes are rising, and job security is good. This group should spend a rising proportion of their rising income, which will support



A Christmas shopper makes his way through a high street in the eastern German city of Leipzig. German retailers believe the crucial Christmas season could be the best for years.

growth. In emerging markets, domestic demand will also be important. Export growth will play less of a role in 2011 than it did in 2010, so domestic demand is the focus.

**2. The Euro crisis is not over**  
The sovereign debt crisis in the Euro area is a symptom of a bigger problem -- the Euro does not work. The solution (fiscal union) will take several years. In the meantime, the Euro area is likely to have periodic crises. Greece and Ireland have already been bailed out. Markets are sceptical about Portugal.

The positions of Spain, France and others are questioned. This matters to Asia. With each crisis, there will be risk aversion. Risk aversion can affect capital flows into Asian markets. Moreover, if the sovereign crises generate banking system concerns, there may be disruption to trade credit.

**3. OECD interest rates will stay low**  
Inflation in OECD economies is likely to remain very benign. Inflation in the OECD is driven by labour costs (around 70 percent of CPI is due to labour), and

labour costs should remain subdued. Most advanced economies still have high unemployment, which is unlikely to fall rapidly.

The risk of deflation is probably greater than the risk of inflation, so interest rates will remain low. Liquidity injections (quantitative policy) will be dictated by the needs of the financial system. It seems safe to assume that liquidity injections will remain in place at least for the first half of 2011.

**4. Emerging economies' inflation will be in focus**  
For emerging economies, infla-

tion pressures are likely to be greater than in developed economies. This is because emerging markets, generally speaking, have less spare capacity in their labour markets (and thus less downward pressure on labour costs). Moreover, commodity prices are generally a larger part of an emerging economy's inflation basket than is the case in a developed economy.

**5. Capital controls could increase**  
Although there is a lot of focus on trade protectionism -- and rightly so -- restrictions on capi-

tal flows can be just as significant to markets. Economies that have fixed or semi-fixed exchange rate regimes against the US dollar may be tempted by capital controls. OECD monetary policy is run for the benefit of OECD economies. Fixed exchange rates mean some economies risk importing inappropriate policies. Capital controls are a solution (if not necessarily the best solution).

**6. Political risk is back**  
Capital controls, trade protectionism, bank regulation, fiscal policy issues, geopolitical tensions political risk is back on the financial market agenda. This perhaps is the greatest risk for investors in 2011.

The economic course is relatively easy to predict. The unpredictable element is politics. Politics can change not just economic outcomes, but the rules of the game. Capital controls, or regulation of financial markets, can dramatically alter the investment landscape overnight. Markets sometimes believe that they are more powerful than politicians. They are not.

What does this all mean? Unless there is a major accident or policy mistake, the world economic recovery should continue in 2011. The problems of the 2008/9 recession are not being cured, but at the same time they are not being made any worse.

The course for financial markets is likely to be less smooth, however. Political risks and uncertainties will create volatility for investors. The year ahead may be difficult for investors.

Good luck.  
The writer is a managing director and global economist at UBS. The views expressed in this column are the author's own and do not represent those of Reuters.

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