

Swiss tech leader firms up foothold in Bangladesh

ABB sees huge potential in solar, energy efficient solutions as it is being incorporated here

SHARIER KHAN

Leading power and automation company ABB is being incorporated in Bangladesh as the Swiss company sees tremendous growth in the power and industries sector where it could play a major role.

"We have been present in Bangladesh since 1971," says Bazmi R Husain, ABB's sub region manager for India, Bangladesh, Sri Lanka, Maldives and Nepal. "In 2003, we opened our own liaison office, and in 2008, we opened our own service centre. Now we are ready for the next chapter. We are opening our own legal entity."

"Bangladesh is a country of 160 million people. When there are so many people, I see tremendous growth potentials," says Husain in an interview with The Daily Star on Tuesday. He is on a visit to Dhaka as part of ABB's drive to strengthen its position in the country.

With a team of 30, new entity ABB Limited would carry on its existing business focused on providing innovative power and automation solution for the utilities, steel, cement, textiles, pulp and paper, chemical and oil and gas sectors as well as wide range of switch gears for general consumers.

The company that thrives on increasing efficiency in power and industrial technologies, now sees a surging business opportunity in power and industrial infrastructure given the government's plans to increase power generation to 15,000 megawatts from the present 6,000mw (installed capacity) within the next few years. The government's plan for metro rail also excites ABB.

While ABB does not manufacture power generators, its array of products range from power transmission to substations, automation and various new technologies offering energy saving equipment.

ABB has an aggressive plan in renewable power. "ABB is producing 300 gigawatts of renewable energy globally. In Bangladesh, our focus would be on solar photovoltaic and



Bazmi R Husain

biomass solution. Besides, there is a big market for solar power converters."

The company could additionally provide solutions for the grid for solar energy that would give voltage stability and smooth power supply between fluctuations caused by a cloudy day.

"ABB deals with the voltage side. We don't make wind or turbine or solar panels, but we provide grid equipment, switches and related machinery," says Husain who has been with the company since 1981.

The company also provides power solutions for locomotives and metro

rail. "We give turbo chargers for locomotives. ABB also implements electrification for metro rails that run on DC," he says.

The Swiss company has also been leading in energy storage technology for long. In 2003, it installed the world's biggest multi-celled battery system in Alaska as an emergency backup for the American state's main power supply system. This battery can deliver a whopping 27 megawatts of power for 15 minutes (enough to power 10,000 households) or up to 46mw for a shorter period.

Husain also says: "Bangladesh is a power deficit country. It has a lot of policies in place to promote power generation. There could be some more policy interventions especially to make consumption more efficient or making energy conservation popular at all levels."

"Do you know that around 60 percent of the total electricity consumed by industries in Bangladesh is spent for motors or rotating machines?" he said, explaining the need to promote energy conservation.

ABB offers a low voltage drive that

makes electric motors more efficient, says Husain, adding that it can save 30 to 50 percent energy and accordingly lower the power bills.

"It can be applied in existing machineries."

Some local industries have already installed the drive to make their rotating devices more energy efficient, he added. "The payback can take place within a year or less."

"New regulation for higher efficiency motors can be promoted. Take a motor (or water pump) through its lifetime. The cost of buying a motor is only 5 percent of its total cost required to run it in its lifetime. The remaining 95 percent cost is for energy. Now if you set a new standard for more energy efficient pump, you spend a little more for buying the motor and spend less for the energy," he added.

"Where there's consumption of electricity, ABB is there to make it more efficient. ABB has technologies for open-pit coal mine, oil and gas, transportation, pipelines or SCADA (control and automation system for power)."

In India, ABB recently got its biggest job of transmitting 8,000mw of power from Assam to Agra on a 2,000 km of AC-DC line. Husain explained DC is the preferred technology for long-distant power transmission as it has lesser system's loss than its AC counterpart. Seven to ten percent system's loss is natural in transmission.

The company that has more than a hundred years of experience is also investing in new power generation solution. Last year it invested in a power company in Scotland that is developing sea wave based generator. It has also invested in a German company that makes special lens to intensify solar energy to generate heat.

"We invest in startup companies with new technology," Husain says.

ABB has operations in around 100 countries, with approximately 124,000 employees, and reported global revenue of \$31.6 billion in 2010. It spends \$1.3 billion annually for research and development.

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Investors: Meet social media

DAN GREENSHIELDS

In the beginning, naysayers and curmudgeons dismissed social media as a place for gossip, celebrity self-promotion and teenagers to waste time. How wrong they were. Social media is reshaping the political world, how we talk to friends, and the way we simply get information.

But what about our money, especially our investments?

Sure, "everybody" is on Facebook and uses Twitter these days, and for many of us, they are the main way we share information. But when it comes to your financial investments, you need to be especially careful about the information flowing through social media and how you interpret it.

I generally have a rule that good investment ideas can come from anywhere. However, don't count on polling your social media friends and followers for advice about investment strategies the same way you might ask your social network about their favourite movie or song. Today, Twitter and Facebook are teaming with investment advice. The recommendations are coming not only from proven Wall Street money managers, but also from paid product endorsements and celebrities. Sorting out the good advice from the bad is a serious challenge. Investors need to be taking in information from this fledgling new media outlet with their eyes wide open.

So, how do you -- a plugged-in investor who just wants to get your retirement plan or college fund moving in the right direction -- navigate through this brave new world of information and recommendations? Let's break down a few

rules of social investing.

Know yourself first

For starters, focus on what matters to you. At the most fundamental level, you know what you want your money to do for you. You know how much risk you're comfortable with and what type of risk will keep you from getting a good night's sleep.

If you are 35 years old and priorities are to pad your retirement fund or save more for your kids' college, don't allow anyone to take your eye off those

prizes just because they tweeted an opinion or wrote a blog post that seems to run counter to your investment plan. Any time you see someone touting a fundamental new discovery that changes everything or a bold investment plan that will turn pennies into billions, beware the myriad hucksters out there trying to prove that fools and their money are soon parted.

Put their advice in perspective. Rarely has any great investment opportunity forced someone to act on it in one day. Do

your own fact checking. Quickly look them up online to make sure they are legitimate experts in their fields and have a track record of success.

Verify everything

Sometimes, a blogger may also have a financial stake in seeing that an investment does well. Most bloggers do the right thing and share information about a stock or fund because they want to help. They can be a valuable resource. But be sure to independently verify claims and never take advice at face value.

There are many federal rules about this but do not assume that others follow them.

You should also bear in mind that even when the motives of the person whose tweet you just received are on the up and up, they may have different investment goals from yours or be at a different stage in reaching for them. More than likely, their time horizon will be shorter or longer than yours, and their perspective might warrant a different opinion about a stock or a fund than yours.

An easy way to minimise the

confusion is to create a social network tailored to your interests and needs. The beauty of a site like Twitter is that you can create a feed populated only with information from individuals, news outlets and organisations you want to hear from. That means you can easily follow and communicate with bloggers and investing experts who have opinions similar to yours or are working toward similar financial goals.

"Social" security

Just remember, even when communicating with third parties you trust, there is still the possibility of information breaches and even fraud. When engaging in conversations online about any kind of financial exchange -- investment strategy, stock trends -- never divulge account numbers, PIN numbers, birth date and especially Social Security numbers.

Just as you would in your non-digital life, the best advice is simply to be mindful of others' motivations. Sometimes people are offering sincere advice. Sometimes their primary motive is to enrich themselves. Sometimes it can be both. Even if someone has far more experience than you in the world of finance or investment, it doesn't mean you should automatically believe what they say or follow their recommendations.

It's still a "your money, your move" world. Social media can be a great tool, but ultimate responsibility is still yours.

Dan Greenshields is President of ShareBuilder Securities Corporation, a subsidiary of ING Bank. The opinions expressed here are his own.



Mark Zuckerberg, CEO of Facebook, makes an opening speech during the media event, Behind the Scenes, to show the latest technology powering Facebook at the headquarters in Palo Alto, California on April 7.

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