

ABB: Riding on steady economic growth

The Swiss engineering company considers Bangladesh a promising market, says a top official

SUMAN SAHA

ABB, one of the world's leading power and automation technology companies, sees excellent business opportunities in Bangladesh, due to the country's steady economic growth.

"Bangladesh has registered a steady economic growth of 6 percent over the last five years. It means growing electricity consumption, growing industry and growing demands for products, systems and solutions," Frank Duggan, the company's head of global markets, told The Daily Star in an interview recently.

"The technology we offer, the equipment we make touches everything in the daily life," he said, adding that more than 20 percent of electricity in Bangladesh passes through ABB equipment.

Headquartered in Zurich, the Swiss company in its current form was created in 1988, but its history spans over 120 years. Many of the technologies that underlie the modern society, from high-voltage DC power transmission to a revolutionary approach to ship propulsion, were developed or commercialised by ABB.

Today, the company stands as the largest supplier of industrial motors and drives, the largest provider of generators to the world industry and the largest supplier of power grids worldwide.

ABB has been serving Bangladesh through dealers since the independence. It opened its liaison office in 2003, branch in 2006 and a fully-owned subsidiary in 2011. "We are a global but local company," said the Irishman, adding that the company is in Bangladesh for the long haul.

Duggan says Bangladesh presents both opportunities and challenges for ABB. "But we are not scared of the challenges. In fact, we love to face them. In every market, there will be ups and downs."



Frank Duggan

Although ABB serves industrial and household customers alike with its products, systems and solutions, it is a pioneer in supplying plant automation systems to the local iron and steel industry. "We are working with all the big names of this sector here."

Around 60 percent of the total electricity consumed by industries in Bangladesh is spent on motors or rotating machines, according to Duggan. The reason for ABB's popularity, he says, is that it offers a low-voltage drive that makes electric motors energy-efficient, thereby saving up to 50 percent energy and lowering power bills.

The company is the world leader when it

comes to turbochargers, turbine-driven forced induction devices used to allow more power to be produced by large diesel and gas engines.

ABB opened the country's first turbocharger service station in 2007 in Chittagong, and is set to open a new one in Gazipur by October to support the mushrooming power stations around the capital.

It is also targeting the data centre business. "Data centres consume heavy power, so its optimal use of power is very important. We want to offer energy-efficient solutions to them."

suman.saha@thedailystar.net

All eyes on Rooppur

Russian nuclear website Nuclear.Ru sits for an interview with Marat Mustafin, general director of JSC Atomenergoproekt that is set to survey the Rooppur Nuclear Power Plant in Bangladesh

STAR BUSINESS REPORT

A contract was signed in June for drafting the documents for substantiating the investments into construction, assessing the impact on the environment, and conducting an engineering survey of Rooppur Nuclear Power Plant in Bangladesh. Moscow's company Atomenergoproekt is responsible for the work.

Nuclear.Ru: Which works are going to be performed by Atomenergoproekt within the scope of the Rooppur NPP Project in Bangladesh?

Marat Mustafin: Constructing the Rooppur NPP in Bangladesh, JSC Atomenergoproekt has actively been cooperating with JSC Atomstroyexport (ASE). First of all, our company is performing the project survey works on site. What makes the project unique is that the Rooppur site is the only one, proposed by the contracting authority to construct the NPP. Usually, several sites are suggested.

In addition, the Rooppur site is rather complex. We received archived data on the survey, performed previously by a foreign company. Several tests showed the site's geological state is quite complex. Certainly, that is a provisional implication and in order to make a conclusion, we need to start the field works and real surveying activities. The first processing of data will show us the preliminary results.

However, we can already state that as the site is located close to the river Ganges, there is plenty of alluvial soil there. It is a very flexible and plastic compound with continental ground underneath.

The initial geological survey is going to be of a universal nature. Then we will be able to adjust it to the specific project. First, we need to know what is underneath the ground.

Nuclear.Ru: Will the survey be performed for two power units?

Mustafin: Yes, the survey will be performed having two power units in mind. It might be that there will be a decision to construct one power unit. However, in



Marat Mustafin

economic terms, a survey for two units does not significantly increase the cost and there will be no need for extra works afterwards.

Atomenergoproekt is soon going to sign a contract with the merged company JSC NIAEP-JSC Atomstroyexport to perform the pre-design works. The contract has already practically been prepared; the only thing left is to agree on small details.

Nuclear.Ru: Russian State Nuclear Corporation JSC NIAEP-JSC ASE plans to sign the contract on preparing the technical project with Bangladesh. Will Atomenergoproekt also be responsible for implementing the project?

Mustafin: The technical project will be prepared by two companies. JSC Atomenergoproekt will design the 'nuclear island' and auxiliary buildings and structures, and JSC NIAEP will design the equipment premises, hydro-technical and some technical structures as well as power output structures. The share of work will be 56 percent and 44 percent.

Nuclear.Ru: The third document, foreseen to be signed, is the contract for preparatory works to construct Rooppur NPP. Will Atomenergoproekt be able to perform those works?

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Fertiliser dealers demand an end to price mismatch

STAR BUSINESS REPORT

Farmers may face a setback in fertiliser distribution as Bangladesh Fertiliser Association yesterday said it would go for an indefinite strike if the government fails to meet its demands.

BFA, which commands over 5,000 authorised chemical fertiliser dealers, has long been demanding removal of the price disparity in urea delivered from mill gates and buffer warehouses. In addition, the association also wants the unauthorised

distribution of fertiliser by the seed dealers to stop.

"If the government does not meet our demands in the next 15 days, we will have no option but to stop lifting of all kinds of fertilisers from factories, buffer godowns and other private entities and distributing those among farmers for an indefinite period of time," said BFA Chairman Kamrul Ashraf Khan.

He was speaking at a press meet yesterday at the association's office in Dhaka.

At present, dealers from 37 districts

are hauling urea at Tk 735 per 50-kilogram sack from the buffer warehouses, while dealers in 27 other districts are doing the same at Tk 700 from the mill gates.

The government only has six fertiliser factories all over the country and none of them are in the 16 northern districts, the rice-rich region, he added.

Urea constitutes a major portion of chemical fertilisers that farmers apply to rice—both in the rainy-season for Aman and dry-season for Boro.

Stepping up to the plate to reduce food waste

ACHIM STEINER AND PETER LEHNER

HOW many times have you reached into the refrigerator, only to discover the yogurt or fruit juice you were looking forward to enjoying had passed its expiration date?

What next? Did you sling that yogurt into the trash? Pour the juice down the sink? You probably congratulated yourself on a lucky escape. After all, who knows what might have happened had you unwittingly consumed a food a few hours past its "sell by" date?

In fact, it's likely you would never have noticed. Food date labels are typically unrelated to food safety. They are simply a manufacturer's suggestions for "peak quality" and a shelf life they set by their own market standards. The dates don't tell you when your food will spoil, nor do they indicate the safety of food.

A new date labels study released this week by the Natural Resources Defence Council and the Harvard Food Law and Policy Clinic reveals that this mass confusion imposes costs on consumers and businesses and leads to a staggering amount of waste. In America, we throw away 40 percent of the food we produce every year. That's nearly half our food—\$165 billion dollars' worth—in the garbage, instead of in our stomachs. Nine out of ten of us discard food—and likely are convinced we need to go out and buy more—because of the mistaken belief that the "sell by" date has a food safety implication for ourselves or our family.

It's estimated that 160 billion pounds of food is dumped in the United States annually, in part due to this labeling confusion. That's almost enough wasted food to fill up a football stadium every day. Discarded food is the biggest single contributor to solid waste in landfills. We're throwing away perfectly good food at a time when one in six Americans is considered "food insecure," meaning that they struggle to put food on their tables year-round. Globally, 28 percent of the world's farmland is being used to produce food that is not being eaten. That's an area bigger than China.

This is a terrible waste, not just of the food itself, but of the resources



A cook throws away leftovers in the 'Auf da Muehle' restaurant in the western Austrian village of Soell.

that go into producing that food.

Consumer food waste is a developed-world problem. A recent report by the United Nations Environment Programme (UNEP) and the Food and Agriculture Organisation (FAO) revealed that 31 to 39 percent of food waste at retail and consumer levels occurs within the middle- and high-income areas of the world, compared to just 4 to 16 percent in developing nations.

And the further along the food chain a product is wasted, the worse this becomes for the environment, because production, processing, packaging, transport, storage and cooking are likely to have already taken place. Wasted food eats up our agricultural land, drinks up our freshwater and pollutes our atmosphere. And in a world with a rapidly-growing population, it also creates the potential for competition and conflict over valuable resources.

UNEP urges a "reduce, reuse, recycle" policy: reducing food waste, wherever possible, at every stage of the supply chain; reusing wasted food by distributing it to the needy, through food banks, for example; and recycling through composting rather than inefficient landfill.

None of this needs to be costly. UNEP has identified areas where significant savings can be made, and new economic opportunities can be

grasped, in tackling this ongoing issue.

Meanwhile, the Natural Resources Defence Council is calling for the United States to catch up to the rest of the world in addressing food waste, starting with an overhaul of food labeling policy in the United States.

The date label that is most misinterpreted is the "sell by" date. This date is not intended for the consumer at all, but is a guide from manufacturers to help retailers manage stock rotation. NRDC recommends making "sell-by" dates invisible to consumers.

In their place should be a clear, consistent labeling system that provides useful guidance for consumers, and distinguishes between safety-based and quality-based dates. A standard storage and handling guide, akin to the nutrition information box on food products, would also be helpful.

But the onus must not entirely fall upon producers and retailers. Consumers need to play their part too. When it comes to tackling the \$165 billion mountain of food waste that America produces every year, and the wastage globally, everyone needs to step up to the plate.

Achim Steiner is the executive director of the UN Environment Programme. Peter Lehner is the executive director of the Natural Resources Defence Council.

BlackBerry to cut 4,500 jobs as revival effort fails

AFP, New York

BLACKBERRY Friday said it would cut 4,500 jobs as the struggling Canadian smartphone maker retrenches in the face of hefty losses and weak sales of its new handsets.

The news, showing BlackBerry's efforts at reviving its fortunes a stunning failure, pushes the once high-flying firm one step closer to extinction, analysts said.

BlackBerry said it expects a loss of \$950 to \$995 million in second quarter mostly due to writedowns linked to poor sales of its Z10 smartphone, the device aimed at competing against Apple and Android devices.

The company's highly-publicized launch of the BlackBerry 10 platform earlier this year failed to ignite sales. The company has said it is examining "strategic alternatives," including a possible sale of the company.



REUTERS

Research in Motion President Thorsten Heins introduces a BlackBerry 10 device during the launch in New York.

Friday's news marks the latest downer for a company whose products were once nick-named "crackberries" because of the customer loyalty they fostered.

"The BlackBerry of the past is dying and changing and going away," said technology analyst Jeff Kagan.

Kagan said only time will tell if BlackBerry vanishes completely or is reinvented, perhaps as part

of another company. Mark Sue, analyst at RBC Capital Markets said the results were "much worse than expected" and that the business "is facing significant challenges" and "trying to rapidly cut costs to reduce cash burn."

The job cuts constitute 40 percent of the company's workforce and will take staffing down to 7,000.

The loss in the upcoming quarter includes a

\$930 to \$960 million charge resulting "from the increasingly competitive business environment impacting BlackBerry smartphone volumes" and a \$72 million restructuring charge, the company said.

Revenues are projected at \$1.6 billion, well below the \$3.06 billion expected by analysts.

BlackBerry will cut its portfolio from six devices to four and expects to reduce its operating expenses by approximately 50 percent.

"We are implementing the difficult, but necessary operational changes announced today to address our position in a maturing and competitive industry, and to drive the company toward profitability," said chief executive Thorsten Heins.

The reorganization enables BlackBerry to scale back its sales ambitions and no longer aim to compete at the retail level with Samsung or Apple, said technology analyst Rob Enderle.