

DHL Global Forwarding banks on Bangladesh's potential

The company is continuously investing in people in Bangladesh: country manager

MD FAZLUR RAHMAN

DHHL Global Forwarding has great business potential with its capabilities, existing product portfolios and new business opportunities in Bangladesh, said Nooruddin Chowdhury, the company's country manager.

DHL Global Forwarding is a division of Deutsche Post DHL, providing air and ocean freight forwarding services. It is the global market leader in freight forwarding and logistics.

A business-to-business operation, DHL Global Forwarding stepped into the Bangladesh market in 2009. Before opening its full-fledged operations in Bangladesh, it had worked with agents for 22 years.

It provides international freight transportation, warehousing and distribution, customs, security and insurance along with green and industry sector solutions.

Bangladesh is a growing country and a lot of foreign investment is flowing into the country, said Chowdhury, who was appointed as country manager in February 2011.

A huge number of international buyers are doing business with Bangladesh, he said. They want similar services in Bangladesh, which they are used to receiving from DHL Global Forwarding in other countries, he added.

Chowdhury said a good number of industries are making headway in Bangladesh that will leave a positive impact on the overall economy.

DHL Global Forwarding has grown immensely over the years and received great support from its customers.

"We are doing very well in various industries such as life sciences and healthcare, garments, capital machineries, project cargo and consumer electronics."

He said the garment sector's supply chain is important in Bangladesh, and the company is particularly focused on innovation in the supply chain by introducing value-added services to help the industry grow.

The company has been continuously investing in people, assets, development of IT and value addition in Bangladesh.

"People are an important factor in whatever we do. It is part of our strategy as we want to be customers' first choice."

The company employs more than 120 people directly in Bangladesh, located largely in three locations: Dhaka, Chittagong and Hazrat Shahjalal International Airport in the capital.

There is a need for road freight development in Bangladesh for connectivity between the neighbouring countries such as India, Nepal and Bhutan.

The company serves customers in different sectors such as pharmaceuticals, home textiles, consumer products, including telecom and plastic industry that are also thriving.

DHL is the leader in offering cold chain solutions for temperature controlled pharmaceutical products.

In the first six months of the current fiscal year, foreign exchange earnings from locally made life sciences and healthcare sector have touched the Tk 300 crore mark, he said.

"It suggests that we have a role to play in putting our expertise in this sector," Chowdhury said, adding that the company has transported life-sciences products to Germany on behalf of a Bangladeshi pharmaceuticals company.

The government has also taken different steps to set up hundreds of special economic zones for the



Nooruddin Chowdhury

export-oriented companies, he said.

The company has a history of 200 years in freight forwarding business in the world. It has huge experience in international cargo movement, trade facilitation, trade consultation, and customs rules and regulations.

DHL was asked to do the trial shipment for road traffic movement between Bangladesh and India. "We did the trial shipment successfully with the help of the two governments."

The country trade will have to grow regionally too, instead of relying on long-haul goods movement, he said.

Chowdhury, who has been in the

logistics and shipping industry for 26 years, said as a market leader, DHL's service quality is a benchmark for the industry.

Bangladesh's geographical linkage to countries like India, Nepal, Bhutan and even China opens up huge trading opportunities for the country, he said.

"We are confident that the economy in Bangladesh will grow on the back of the expanding export and import volumes of garments, pharmaceuticals, life sciences products and footwear."

The main challenge is attracting talent in the logistics industry. The fresh graduates may not have a clear

idea about the logistics industry and proper education will help the talent pool to flourish, he said.

"Infrastructural development is necessary. The government is doing a lot of things, but more needs to be done. For example, our rules and procedures have to be made more investment-friendly."

Corporate taxes have to be aligned with rates in competitor countries or lowered if possible, so that more investment comes to Bangladesh, he said. "We need to make ourselves competitive."

DHL is also involved in corporate social responsibility activities. In Bangladesh, it is working for the

betterment of education, health and safety in association with Teach for Bangladesh, Chowdhury said.

Teach for Bangladesh is a nationwide movement of university graduates and young professionals who are committed to expanding educational opportunity for all children in Bangladesh.

In many countries, including several in Asia, the company works as an authorised economic operator, taking responsibility of complete trade facilitation, he said.

"We maintain international standards and regulations, compliances and due diligence. There is little scope for irregularities," he said, adding that the company would also like to work as an authorised economic operator in Bangladesh.

"The benefit is huge: quick export and import cargo delivery. It also ensures revenue generation for the customs authorities."

Rules and regulations related to export and import should be upgraded to international standards, incentives for foreign investors should be widened and investment in different service sectors should be allowed, he said.

Chowdhury, 51, said manufacturers are doing many service-related tasks on their own, which do not allow them to concentrate completely on their core business.

"Exporters are more concerned about whether cargo reaches the port, loaded into the ships and shipments have been made," he said.

They could have spent this time designing and developing products by outsourcing to the service sector and ancillary tasks to logistics companies, Chowdhury said.

"If you can move faster than somebody else, you are the winner. This is also true in the competitive world markets."

Junta spending boosts Thai growth but risks remain



REUTERS/FILE

A bank employee gathers Thai baht notes at a Kasikornbank in Bangkok.

AFP, Bangkok

THAILAND'S economy grew by a more than expected 3.2 percent in the first quarter off the back of strong tourism and public spending, official figures showed Monday, but analysts warned the solid start was still shaky.

Once one of Southeast Asia's most vibrant and successful economies, Thailand has struggled with lacklustre growth fuelled by more than a decade of political instability and slowing demand for its exports.

Thailand's generals, who seized power in a May 2014 coup, have struggled to fulfil their pledge to kickstart the economy, which is also hampered by high household debt and low consumer spending.

The country's vital farming sector has been hit hard in recent months by one of the worst droughts in decades.

But figures released by the National Economic and Social Development Board (NESB) on Monday showed the junta's spending drive, a stimulus package worth some \$11 billion since last year, was starting to pay dividends.

The quarter one growth rate of 3.2 percent was the highest in more than two

years and higher than the 2.8 percent median estimate from a Bloomberg News survey of 21 analysts.

The NESB also slightly revised their yearly growth rate to a more confident bracket of between 3-3.5 percent.

Nonetheless Thailand still boasts one of the most disappointing growth rates in the region. Tourism accounted for nearly all of last year's 2.8 percent growth.

Since coming to power Thailand's generals have crushed dissent but the economy remains their Achilles heel.

Analysts say prolonged failure to grow the economy could see the junta eventually lose support among Bangkok's influential middle-class, many of whom supported the 2014 coup.

"High household debt and continued political uncertainty are likely to drag down growth again over the coming quarters," Krystal Tan of Capital Economics, said in a briefing note.

Downside risks, Tan said, included prolonged drought if the monsoon rains fail and an upcoming referendum in August on a controversial junta-crafted constitution which "could trigger another flashpoint in the country's long-standing political crisis".

Nissan to be fined for emissions cheating in South Korea

AFP, Seoul

South Korea said Monday it will fine Nissan for manipulating emissions data on a popular diesel sports utility vehicle, bringing the Japanese car giant into a widening global scandal that has already ensnared Volkswagen and Mitsubishi.

Seoul said it would order recalls of hundreds of Qashqai model SUVs after tests revealed an emission defeat system that made the vehicle appear to be less polluting than it really was.

The decision follows an investigation into 20 diesel-powered cars last December, initiated by Seoul after German carmaker Volkswagen admitted to having installed devices aimed at cheating emissions tests into 11 million diesel engines.

Nissan would be fined 330 million won (\$280,000), the environment ministry said Monday.

"Our investigation... concluded that Nissan illegally manipulated emission data," the ministry said in a statement.

Hong Dong-Kon, a ministry official handling transport-related regulations, added: "A group of auto industry experts we consulted with also agreed that this is a clear manipulation of emission data."

State tests showed the Qashqai switched off its emission reduction device when the car temperature reached 35 degrees Celsius to stop the vehicle from overheating, whereas other cars waited until the temperature reached 50 degrees.



Fishing boats are moored at a harbour in the Indian city of Visakhapatnam yesterday. The government of Andhra Pradesh has imposed a two-month ban on fishing to protect marine life during the spawning season, when engine-propelled trawlers and mechanised boats are not permitted to fish.

Pfizer to buy Anacor Pharma in \$5.2b deal

REUTERS

PFIZER Inc will buy Anacor Pharmaceuticals Inc in a deal valued at \$5.2 billion, net of cash, to gain access to Anacor's experimental gel for treating eczema.

Anacor shares rose nearly 54 percent to \$98.50 in premarket trading on Monday, just below the offer price of \$99.25 per share in cash.

The non-steroidal topical gel, crisaborole, is currently under review by the US Food and Drug Administration for the treatment of mild to moderate eczema.

The equity value of the deal is \$4.45 billion, based on 44.87 million Anacor's outstanding fully diluted shares as of March 31, according to Thomson Reuters data. Pfizer's current inflammation

and immunology drugs portfolio includes Enbrel and Xeljanz, which target auto-immune diseases.

There have been no new molecules approved for eczema, or atopic dermatitis - a common, relapsing, inflammatory skin disorder that affects about 18-25 million people in the United States - in the last 15 years.

Pfizer believes crisaborole has the potential to reach or exceed peak sales of \$2 billion, the company said in a joint statement on Monday.

Anacor also holds the rights to Kerydin, a topical treatment for toenail fungus marketed in the United States by Novartis AG's Sandoz unit.

Centerview Partners and Guggenheim Securities were Pfizer's financial advisers and Citi advised Anacor.

Wachtel Lipton Rosen & Katz is Pfizer's legal adviser for the deal and Davis Polk & Wardwell LLP advised Anacor.

