

Boost capacity of contractors to speed up projects

Chairman of Max Group says in an interview

SAJJADUR RAHMAN

BANGLADESH must increase the capacity of local contractors to ensure timely implementation of projects and sustain the economic growth momentum, said a top entrepreneur.

"How long will we have to rely on foreign contractors? Bangladesh's economy will not be able to grow at the current pace if local capacity doesn't improve," said Ghulam M Alomgir, founder and chairman of Max Group.

He said India gave protection to its own contractors, but it has not happened in Bangladesh.

Local contractors may delay a project but they have never failed in executing projects.

He gave the example of the Dhaka-Chittagong Highway, which was delayed by several years by a foreign company. Project cost was also increased significantly, he noted.

Max Group, founded in 1989, transformed into a group of companies since inception and diversified its business. It is involved in the manufacturing of track fittings, infrastructure development, power generation, and trading of consumer products.

It has own locomotive, engine, and walking train.

The company also completed engineering, procurement, and construction of combined cycle power plants, the first time in Bangladesh.

"This will encourage more companies to enter the market. We are capable. The government should encourage local entrepreneurs," said Alomgir in an interview with The Daily Star recently.

A trained engineer at the Bangladesh University of Engineering

and Technology, Alomgir dreamt of becoming an entrepreneur from his student life.

He didn't find facilities needed to become an entrepreneur. So, after finishing education, he went to the Middle East and stayed there for five years.

He worked for a French company where he learned firsthand what quality meant and how to finish a project on time.

"That helped me kept my dream alive."

He came back to Dhaka in 1983. Alomgir and two of his engineer friends, who had still been working in the Middle East, set up AFA Spring factory in Bangladesh. The factory name used the acronym of their names: Alomgir, Faruk, and Anis.

Before setting up the project, Alomgir went to then Sonali Bank Managing Director LR Sarker and met him. He was able to convince Sarker about the prospect of the new business they were planning to set up.

The bank's board approved Tk 68.75 lakh in loans in 1985.

AFA Spring has been a huge success and buyers used to queue up to buy leaf spring used in motor vehicles that used to be imported from Japan.

After the imports of just three consignments of raw materials, Alomgir made a profit of Tk 1 crore. His confidence level went up and seeing the business success two of his friends returned from abroad.

Established in 1985, AFA Steel Industries Ltd manufactures leaf spring for automobile and railways. It is the leading manufacturer of leaf springs, dedicated to supplying top quality springs at competitive prices.

Although AFA leaf spring has been



Ghulam M Alomgir

a joint effort, the trio decided to expand their business on their own.

This led Alomgir to set up Max Automobile in 1989, now known as Max Infrastructure.

After some struggle, he started producing railway products and got a contract of Tk 2 lakh in 1990. He added new machines to produce rail products that gave him a huge boost.

The major breakthrough for the company came when the government decided to put up a rail bridge along with the Bangabandhu Bridge. The rail bridge was not included in the original plan.

A French company got the work, contacted Max Group, and offered to buy products. It supplied products worth Tk 150 crore.

"I earned more than what the French company did. That was really a boost-up for my business."

The French firm also transferred technology to Max Group, jointly worked on two to three projects.

Later, it offered to sell machines to the Bangladeshi company. Alomgir got an adequate supply of equipment and started getting contracts after contracts.

Some people criticise that that only two companies work as contractors for the state-run Bangladesh Railway. The contractors are Max Group and Toma Construction.

"I bought Tk 100 crore railway equipment. Who else has done it? Now, Mir Akhter has entered the market. We get works through inter-

national bidding."

"It's a pride for Bangladesh," he said.

He praised the prime minister as she knows how to develop a country. "We can easily reach 10 percent growth rate if the government and bureaucrats become aware of it."

He also touched upon Bangladesh growth journey, applauded the country's vibrant private sector, the dynamism of entrepreneurs.

He plans to export railway products to the EU, the US, the Middle East and Africa. As part of the move he has started modernizing the AFA Spring.

He said there are some policy-related problems.

Alomgir said the engineering sector lies at the heart of the industrial sector, but no engineering products are being exported because of lack of incentive.

If the incentive is awarded, more jobs will be created and the country will earn more foreign currency.

Max Group employs 7,000 people. Of them, more than 400 are graduate engineers. Some 40 to 50 foreigners work for the company on monthly basis, mainly in the power and bridge sectors.

Alomgir said profit-loss is a byproduct of any project, but a contractor should deliver a project on time.

Max Group is building Akhtaruzzaman Flyover in Chittagong and this will be the best one in Bangladesh although he claimed he has to spend more to do the work.

He also touched upon the issue of cost escalation in different projects in Bangladesh. He said labour cost grows 20 percent annually and the

price of raw materials also goes up every year. For example, stone price trebled in just five years.

He said while approving development project proposal, the cost is cut by government officials, but it should not be. This happens because of the inefficiency of the administration.

He said the government is implementing a lot of mega projects. The biggest obstacle is involved in foreign-aided projects.

These projects need foreign consultants and they are too expensive. But these foreign consultants don't think about the country and implement the project on time, Alomgir said.

"Moreover, if they fail no penalty is imposed on them. A penalty should be there for failure."

Alomgir said if a businessman is politically aligned and gets works for a project for political support, a project will never go well.

"Political influence ruins a project and implementation will be delayed and costs will go high."

He said his company pays Tk 200 crore in tax which benefits the country. The 62-year-old said he wants to continue working in the same spirit for another decade.

"I have an only vision: to make Max Group a brand company."

He is very optimistic about the country's future. "Many of our problems will go when we have solvency. We have a huge population and we will have to transform them into productive workforce."

About the scam in the banking sector, he said many borrowers are not involved in real business, still, they get loans.

"Bankers are involved in the scam. Intellectually corrupt people are looting banks."

Reliance Ins approves 25pc dividends, elects top brass

STAR BUSINESS DESK

Reliance Insurance approved 10 percent stock and 15 percent cash dividends for 2017 at the insurer's 30th annual general meeting yesterday.

Rajiv Prasad Shaha, chairman of the company, presided over the meeting at Lakeshore Hotel in Dhaka.

The company elected Shahzreh Huq and Amiran Hossain as directors and later elected Shamsur Rahman and Shahnaz Rahman as chairman and vice-chairman respectively.

The other members of the company's board of directors are Zakiya Rouf Chowdhury, Habibullah Khan, Rajiv Prasad Shaha, Professor Mohammad Abdullah, Iftekharul Huq, Arshad Waliur Rahman, Imran Faiz Rahman, Amanullah Chowdhury, Atiqur Rahman, Amiran Hossain, Faiza Rahman, Shahzreh Huq, Anis-uz-Zaman Khan, Toufiq Ali and Md Khaled Mamun, who is also the chief executive officer.



Rajiv Prasad Shaha, chairman of Reliance Insurance Ltd, presides over the company's 30th annual general meeting at Lakeshore Hotel in Dhaka yesterday.

It's time to develop future leaders: analysts

STAR BUSINESS REPORT

THE economy has been growing steadily and it is time for Bangladesh to develop corporate leaders to face future challenges, the country's top executives said in a summit in Dhaka yesterday.

Some 260 senior executives, of whom 60 percent were CEOs, attended the daylong event to share their experience on how to develop leadership skills.

LankaBangla Finance presented the Dhaka CXO Summit 2018 at Radisson Blu Dhaka Water Garden, which was organised by Lighthouse Bangladesh.

An initiative of The Daily Star and Lighthouse Bangladesh, the event was powered by MasterCard Bangladesh in association with Rancon and supported by Seven Rings Cement.

Rokia A Rahman, president of the Bangladesh Federation of Women Entrepreneurs; Anis A Khan, managing director of Mutual Trust Bank, and Mahtab Uddin Ahmed, CEO of Robi Axiata, attended the event.

Representatives from banking, non-banking financial service providers, local and multinational corporations, government and non-governmental organisations also took part.

The goal of the summit was to share the best resources and practices on organisational and personal leadership to ensure a sustainable economic growth at large, said Najmus Ahmed Albab, CEO of Lighthouse Bangladesh.

In the wake of an economic boom, it is essential for both private and government organisations in Bangladesh to ensure the development of leadership qualities in the future leaders, Albab said.

"The summit has been designed to help unleash the intrinsic qualities, which are essential in the pursuit of excellence in leadership."

"Most of the existing CEOs in Bangladesh gathered their leadership quality through hard-work," Shwapna Bhowmick, country head of Marks & Spencer Bangladesh, said at a session of the summit.

She said Bangladesh's corporate leaders proved their efficiency at home and abroad as they are playing vital roles in local and multinational companies. Bhowmick said the existing organisational leaders were trained by someone in the hierarchy, and it is now their responsibility to give back by developing successors.

While enforcing sustainable talent management, leaders must

be cognizant of empowering women leaders, she said.

Bhowmick also emphasised adopting effective development plans, integrating productive learning and behavioural assessment.

Leaders have the ability to energise their entire eco-system to ensure maximum growth and success of companies, said Mahmud Hossain, chief corporate affairs officer of Grameenphone.

Brain, bone, and nerves are the three key drivers of long-term

growth for corporate houses, and the way leaders pro-actively shape these three elements determines sustainable success with excellence, he said.

The summit would help identify leaders, develop leadership roles and concepts, assess industry risks and opportunities for growth, and share ideas on addressing the rising challenges, said Khwaja Shahriar, managing director of LankaBangla Finance.

He believes in excellence and wants to contribute to the development of leadership and organisational excellence in the corporate sector.

Four panel discussions on diverse topics, including strategic, execution, personal and innovation excellence, were also a part of the summit.

Shehzad Munim, managing director of British American Tobacco Bangladesh; Syed Mohammad Kamal, country manager of MasterCard; Asif Saleh, senior director of Brac; and Shibli Rubayat Ul Islam, dean of the business faculty of Dhaka University, were also present.



Analysts take part in the daylong Dhaka CXO Summit 2018 at Radisson Blu Dhaka Water Garden yesterday.

Infrastructure plan may wait until after elections: Trump

AFP, United States

US President Donald Trump said Thursday his major infrastructure plan may not make it through Congress until after key midterm elections in November.

"I don't think you're going to get Democrat support very much. And you'll probably have to wait until after the election, which isn't so long down the road," he said in a speech in the Midwestern state of Ohio.

"We probably have to wait until after the election because the Democrats say, 'don't give him anymore wins.'"

Trump was in the state in the industrial heartland to tout his proposal to dedicate \$200 billion in federal money as a way to attract private investment of "at least" \$1.5 trillion, the White House said.

"We are going to rebuild America's crumbling infrastructure," including roads, bridges, airports, and waterworks, he said.

The plan "will completely transform the horrible, costly and broken permitting process," and also focus on worker training and education.

Trump's predecessor, President Barack Obama, tried repeatedly to push infrastructure plans through Congress but was stymied by opposition from Republicans, who now support the measure.

Americans in November will elect all 435 representatives in the lower house of Congress, and one-third of the 100 Senators, as well as 39 state governors.

While Trump enjoys the unusual position of having his party control both houses of Congress, the midterm election often swings control to the opposition, a possibility given his low approval ratings and controversial policies.