

Innovation key to establishing a brand

Syed Alamgir, managing director of ACI Consumer Brands, says

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INNOVATION and new ideas are key to establishing a brand and ensuring its sustainable run, said Syed Alamgir, managing director of ACI Consumer Brands. "Innovation will have to be in a positive manner and must differentiate a product from its competitors. What is more, a product must cater to consumers' taste," he said in an interview with The Daily Star at his office in Dhaka last week.

Alamgir is a well-known face in the country's consumer brands' segment, thanks to his long career that spans more than four decades and his acumen in introducing products that shook up the markets.

If people in Bangladesh could afford a product worth Tk 5,000, they would also go on to try to buy a product that will cost Tk 6,000, he said.

"It is a good sign. It is good for the economy and the entrepreneurs," he said, adding that this is much contrast to the neighbouring countries where people are keen to save more.

He joined ACI in 1998, which is one of the fast-growing fast-moving consumer goods companies in Bangladesh. He has initiated many brands in the company.

Of them, the "Pure" brand launched in 2005 was awarded seven times by Bangladesh Brand Forum as one of the best brands in the country.

ACI Consumer Brands has a line of toiletry products, in the sub-categories of soap, hand wash, antiseptic liquid and cream, hand sanitizer and wipes.

Savlon and Aerosol are the top two brands of the company where Savlon occupies 83 percent of the market in antiseptic category and Aerosol 94.6 percent in the insect killer category.

According to Alamgir, the country's huge and dense population of around 16.3 crore makes marketing easier.

"However, the problem is the wallet size of the people is not as big as their soul."

Many people are still poor, while there are many who belong to the lower-income group



Syed Alamgir

and they cannot afford consumer goods, according to Alamgir.

Speaking about innovation, he said it is a challenge for entrepreneurs that they cannot spend much on innovation and product design as it fuels the cost of production and thus the final price of products.

In the end, these products may not remain affordable to many, he said.

Another challenge is that the consumers' adaptability to changes is slow in case of accepting a new product and design. However, the tendency has changed in the last few years as people are increasingly travelling abroad, getting to know new products.

About the Bangladesh Standards and Testing Institution's (BSTI) recent ban on ACI Salt, Alamgir said the pH value is not accepted as a parameter for salt in any countries other than Pakistan and Uganda.

"This can't be a parameter. Another thing is it is an evaporating ingredient and its reading

will not be the same at every stage."

The value of pH, which stands for 'potential of Hydrogen', is a measure of acidity of water soluble substances.

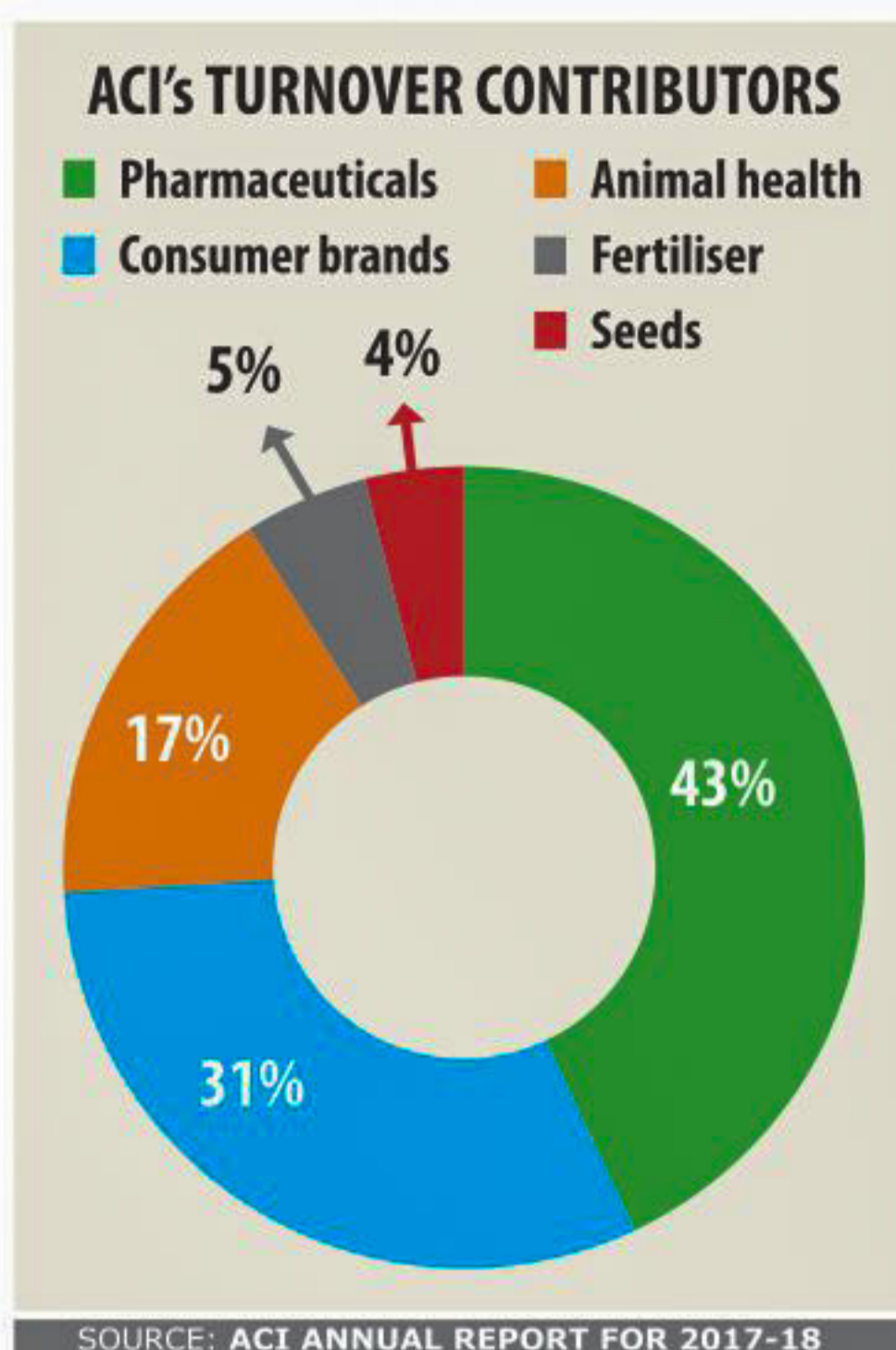
According to Alamgir, when the BSTI collected the first sample from a faraway place in Chattogram, it found the pH value slightly different from the regulatory level. After ACI's plea, it reviewed and re-examined and found the level okay.

"We were not worried about it [the ban] because we knew what the truth is and consumers will also realise the truth," said Alamgir, also the managing director of ACI Salt.

ACI Group's profit slumped in recent months and this is because the company has invested in many new projects, which would take time to make profit, he said.

"The investments and the projects will give a positive outcome to the conglomerate."

Alamgir, who graduated from the Institute of Business Administration under Dhaka



University, shot to fame when he pioneered the idea of halal soap in Bangladesh in the 1990s as the marketing director of Jamuna Group of Companies.

Recently, the idea has cited in the 13th edition of "Principle of Marketing—A South Asian Perspective" of Philip Kotler, who is known as the father of modern marketing.

Alamgir recalled the story behind the halal soap idea. His research found out that soap is made of rice bran oil, vegetable fat and animal fat.

As animal fat has its own scent, any additional perfume added does not match well and give any better aroma. Rice bran oil cannot create as much foam as consumers want.

On the other hand, vegetable fat blends with the perfume smoothly but the production is costlier.

Alamgir went for the vegetable fat as he had thought that the price will not matter if the

soap can match the taste of consumers.

He also went to London and saw himself the processing of halal meat there, further strengthening his case for a halal soap in Bangladesh.

"This is how the halal soap idea came about and boomed. The popularity of the soap spread like a fire and removed the top-ranking soap within a very short period of time."

Jamuna Group also had to import new machinery immediately to cope up with the rising demand for the soap.

Unfortunately, Jamuna's halal soap factory was shut due to a lack of innovation.

"The market is a dynamic thing and for a brand or a company to succeed and sustain, it needs modification time to time because without modification and innovation a good product can be obsolete."

At Jamuna Group, he also built the Pegasus Shoes brand and it rose to the second position in the market within two years of launch.

Before rolling out a mosquito coil for ACI, he visited slums to the houses of the rich to get to know about consumers' behaviour with a view to coming up a product that will be consumer-friendly.

Alamgir won a number of accolades in his long, illustrious career, with the latest one coming in the form of a "Marketing Superstar of Bangladesh" award given by Bangladesh Brand Forum.

Alamgir is bullish about the business potential in Bangladesh. He said the country has huge potential to grow entrepreneurship as there are not many strong brands.

"It is easy to build a brand and run business well."

He also spoke about challenges: the ease of doing business is not at the expected level because it feels that many government agencies are just waiting to create problems for entrepreneurs.

In the same time, budgets also create uncertainties among entrepreneurs through policy changes.

"What is more, lower level of infrastructural development drives the cost of production despite the country's huge strides in infrastructure development in recent years."

Trump talk of easing Huawei ban lifts suppliers' shares despite doubts

REUTERS, Hong Kong/Taipei

US President Donald Trump's decision to allow US firms to sell "high tech" products to Huawei led Asian investors to snap up shares in suppliers to the Chinese smartphone maker on Monday, even as some experts wondered what had changed.

Huawei was put on a US list in May that restricts US tech firms such as Alphabet Inc's Google from doing business with the Chinese telecom network gear maker, viewed as a security risk by Washington amid trade tensions with Beijing. Trump said on Saturday the ban was unfair to US suppliers, who were upset that they could

components for Huawei's future products or just components for existing lines.

Shares in some other suppliers including Shennan Circuits, Luxshare Precision Industry, Shenzhen Sunway Communication, and OFILM Group Co Ltd also surged. After saying for weeks that it has access to enough non-US technology to carry on as usual, Huawei said last month it would take a \$30 billion revenue hit.

"We acknowledge the US president's comments relating to Huawei and have no further comments at this time," a Huawei spokesman told Reuters on Monday.

Several US companies stopped supplying Huawei in recent weeks, but quietly lobbied the US government to ease

China warns of long road ahead for deal with US after ice-breaking talks

REUTERS, Beijing/Osaka

CHINA and the United States will face a long road before they can reach a deal to end their bitter trade war, with more fights ahead likely, Chinese state media said after the two countries' presidents held ice-breaking talks in Japan.

The world's two largest economies are in the midst of a bitter trade war, which has seen their level increasingly severe tariffs on each other's imports.

In a sign of significant progress in relations on Saturday, Chinese President Xi Jinping and US President Donald Trump, on the sidelines of the G20 summit in Osaka, agreed to a ceasefire and a return to talks.

However, the official China Daily, an English-language daily often used by Beijing to put its message out to the rest of the world, warned while there was now a greater likelihood of reaching an agreement, there's no guarantee there would be one.

"Even though Washington agreed to postpone levying additional tariffs on Chinese goods to make way for negotiations, and Trump even hinted at putting off decisions on Huawei until the end of negotiations, things are still very much up in the air," it said in an editorial late Saturday.

"Agreement on 90 percent of the issues has proved not to be enough, and with the remaining 10 percent where their fundamental differences reside, it is not going to be easy to reach a 100-percent consensus, since at this point, they remain widely apart even on the conceptual level."

Trump also offered an olive branch to Xi on Huawei Technologies Co, the world's

biggest telecom network equipment maker. The Trump administration has said the Chinese firm poses a national security risk given its close ties to China's government, and has lobbied US allies to keep Huawei out of next-generation 5G telecommunications infrastructure.

The Chinese government's top diplomat, State Councillor Wang Yi, in a lengthy statement about G20 released by the Foreign Ministry following the delegation's return to Beijing, said the Xi-Trump meeting had sent a "positive signal" to the world.

Though problems between the two countries remain, China is confident as long as they both follow the consensus reached by their leaders they can resolve their problems on the basis of mutual respect, Wang said in the statement released late Saturday.

Trump's comments on Huawei, made at a more than hour-long news conference in Osaka following his sit-down with Xi, generated only a cautious welcome from China. The word "Huawei" was not mentioned at all in the top diplomat's appraisal of G20.

Wang Xiaolong, the Foreign Ministry's special envoy of G20 affairs and head of the ministry's Department of International Economic Affairs, said if the United States does what it says on Huawei then China would of course welcome it.

"To put restrictions in areas that go beyond technology and economic factors will definitely lead to a lose-lose situation. So if the US side can do what it says then we will certainly welcome that," Wang told reporters.

The pause in tensions is likely to be welcomed by the business community, and markets, which

have swooned on both sides of the Pacific due to the trade war.

Jacob Parker, vice-president of China operations at the US-China Business Council, said returning to talks was good news for the business community and added much needed certainty to "a slowly

increasingly strident, saying it would not be bullied, would not give in to pressure, and that it would "fight to the end".

Taoran Notes, an influential WeChat account run by China's Economic Daily, said the United States was now aware that China



US President Donald Trump and China's President Xi Jinping pose for a photo ahead of their bilateral meeting during the G20 leaders summit in Osaka, Japan, on June 29.

deteriorating relationship".

"Now comes the hard work of finding consensus on the most difficult issues in the relationship, but with a commitment from the top we're hopeful this will put the two sides on a sustained path to resolution."

China's position as the trade war has progressed has become

was not going to give in, and that tariffs on Chinese goods were increasingly unpopular back home.

"We've said it before - communication and friction between China and the United States is a long-term, difficult and complex thing. Fighting then talking, fighting then talking, is the normal state of affairs," it said.



A Huawei company logo is seen at Consumer Electronics Show Asia 2019 in Shanghai.

not sell parts and components to Huawei without US government approval.

However, he did not say which US firms could resume supplying Huawei.

While analysts had doubts about what it meant for the company, shares in Huawei's smartphone suppliers jumped in Asian trading on Monday as investors saw Trump's comments as a positive sign for its smartphone sales.

OLED display panel maker BOE Technology Group and Shenzhen Goodix Technology, a maker of fingerprint sensors, climbed 10 percent to their daily limit.

Taiwan's Foxconn, the world's top contract electronics assembler, and contract chipmaker TSMC rose 3 percent and 4 percent respectively.

"The White House's apparent U-turn ... is unlikely to give Huawei the products it really needs," Richard Windsor, founder of independent research firm Radio Free Mobile, said in a note.

"And even if it did, it is quite possible that fatal damage has already been done to Huawei's smartphone business," he said.

Trump's remarks were taken by some here tech bloggers here to mean that Google would be able to restore Huawei's access to Play Store and apps.

Arthur Liao, a Taipei-based tech analyst at Fubon Securities, said it was unclear whether US tech firms can deliver

the ban, Reuters reported last month.

Memory-chip maker Micron said last week it had resumed some shipments to Huawei, and chip maker Intel took similar action, according to the New York Times.

Google said last month it would not provide the Android operating system (OS) for Huawei phones after a temporary reprieve from the ban expired in August, but current models could still use the apps.

Windsor said Huawei's access to Google mobile products could remain blocked despite Trump's remarks.

"It is fairly easy to argue that Google Mobile Services is unique and only available from the US and potentially could be considered a security threat depending on what data is going over those services," he said.

A Google spokesman in Singapore declined to comment on Monday.

The sanctions also prevent US telecom companies from buying network equipment from Huawei based on national security grounds. Huawei has denied its products pose a security threat.

"National security concerns will remain paramount," National Economic Council chairman Larry Kudlow said on Sunday, adding that Trump's decision to allow expanded sales of US technology supplies to Huawei will leave the most sensitive equipment off limits.

AFP, Tokyo

JAPAN said on Monday it will tighten regulations on the export to South Korea of several chemicals used in chip and smartphone production amid a row with Seoul on wartime forced labour.

The move, which takes effect from July 4, comes after South Korean courts ordered Japanese firms to compensate people forced into wartime labour, an issue Tokyo says was resolved when the countries resumed diplomatic relations decades ago.

"The export control system is built based on international relations of

trust," Japan's Ministry of Economy, Trade and Industry (METI) said in announcing the move.

"After reviews by relevant ministries, it must be said that the relations of trust between Japan and South Korea have been significantly harmed," METI added.

The new restrictions apply to three chemicals as well as transfer of manufacturing technologies, removing them from a list that effectively allowed expedited export.

It means that exporters will now have to apply for permission for each batch they wish to export to South Korea, a process that takes around 90 days each time, local media reported.

METI said it would also begin soliciting public comment on the removal of South Korea from a list of "white" countries that face minimal restrictions on technology transfer with national security implications.

"With South Korea, the trust which is the very foundation of the export control has been undermined," Jun Iwamatsu, the official in charge of export control at the trade ministry, told AFP.

The chemicals affected by the move are fluorinated polyimide, which is used in the manufacture of displays, photosensitising agent resist, which is used in chip manufacture, and hydrogen fluoride,

which is used to clean chips. Japan and South Korea are both democracies, market economies and US allies, but their relationship has been strained for decades as a result of Tokyo's brutal 1910-45 colonial rule over the Korean peninsula.

And tensions have grown after a series of rulings from South Korean courts ordering Japanese firms that used wartime forced labour to compensate victims.

- Move 'in line with WTO' - Last month, Tokyo proposed the issue be put to arbitration under the terms of an agreement signed by the two countries in 1965, when ties were normalised.