



PHOTO: EAST COAST GROUP

Norwegian rally driver Marius Aasen and co-driver Marlene Engan celebrate after winning the Drive DMACK Fiesta Trophy in 2015, a complementary series to the FIA World Rally Championship. Omera Lubricants, a concern of East Coast Group, sponsored the team that carried the Bangladesh flag during the final race in Spain.

## BUSINESSPERSON OF THE YEAR

# An entrepreneur to emulate

SAJJADUR RAHMAN

When university graduates of his time considered civil service a prestigious job, Azam J Chowdhury, 65, thought differently.

After attaining a Master's degree in English literature from the University of Dhaka in late 1970s, he decided to become an entrepreneur despite strong opposition from his family.

"My family was very upset as they wanted me to join the civil service. Also, business was perceived a very bad thing at that time," Chowdhury recalled.

But he was adamant. By a stroke of good fortune he met SM Kabir, who had a small office at 21 Motijheel, from where he came to know some people in the global oil market.

International oil companies at that time had sold their products through some agents in Bangladesh.

Later in March 1977, he set up East Coast Trading Private Limited that got engaged in trading various commodities and power station equipment. But the big breakthrough came four years later.

"Fortunately, one day I got two cargos (oil) in 1981 and that was a big breakthrough for me. I had got \$150,000 as commission from the contract, which was a lot of money at that time."

However, most of this amount went behind repaying money he had borrowed from personal sources to get his business idea running.

But the successful discharge and delivery of oil had given him a huge confidence boost and he started getting more orders from companies like British Petroleum Corporation and Abu Dhabi National Oil Company.

His confidence though was hurt in 1982 by a comment of a foreign national working in the Bank of Indonesia in Dhaka.

Chowdhury had wanted a diary that has many phone numbers from the banker. In response the banker asked, "How much money do you have in your account?"

"At the moment I felt he was being so mean to me and that changed my life. I told myself that I will do something and I will show him."

The rest is history. His East Coast Group now has over 30 units and its asset value is about \$4 billion.

From humble beginnings, the group has diversified to power generation, shipping, renewable energy, plastics

and ceramics manufacturing, real estate, wood treatment, corporate finance, banking, insurance, tea production, logistics and distribution.

Chowdhury set up the country's first lube oil blending plant and LP Gas terminal. He was the first person to buy an oil tanker and the first cylinder manufacturer. He started the country's first LPG barge and satellite stations.

This performance has earned him this year's prestigious Business Person of the Year at Bangladesh Business Awards.

Sincerity, integrity and commitment have paid off. His business with multinational companies has helped him learn about quality and compliance, which he still maintains with utmost priority.

"I always try to be compliant and whatever I have earned, I never spoil a penny."

Even then, he had to lose for investment in a textile, finishing and dyeing factory in 1983, when the garment industry was taking off.

People from his factory were jumping ship, so he had to abandon the venture and convert it into a plastic manufacturing unit.

Since then, he never looked back. East Coast got engaged in shipping business, oil tankers and terminals, blending world renowned lubricant Exxon Mobil, bank, insurance and finance company and many more.

But the group's main focus remains on the energy



Azam J Chowdhury  
Chairman of East Coast Group

Chowdhury set up the country's first lube oil blending plant and LP Gas terminal. He was the first person to buy an oil tanker and the first cylinder manufacturer. He started the country's first LPG barge and satellite stations.

sector, where Chowdhury has the competitive advantage. "I was quite known in the international market as an oil expert in Bangladesh," Chowdhury recalled his memories of the 1980s and 1990s.

ExxonMobil has never appointed a local as the managing director of its local operations. But it made an exception in case of Bangladesh by making Chowdhury its managing director, a post he held for many years until he bought out the shares when ExxonMobil left the country.

His success in energy sector gave him the guts to think big. He bought two bulk ships – Omera Queen and Omera Legacy – each with over one lakh DWT (Dead Weight Tonnage) capacity, which no other business have in Bangladesh.

He never invested in a venture he does not understand. "I am not like those people who invest money but don't know what is going to happen."

Chowdhury said any product produced by him has to be the finest. For example, he said Omera engine oil was approved by BMW and it was used by a racer in a junior world rally in 2015.

He also spoke on the necessity of scaling up a business in line with the pace of economic growth.

"When you start a business, mapping out the plan is important. You will have to think that when you start a business, 10 years down the line there will be 50 operators, trying to produce and sell the same product. But if you scale up and have large volume, your cost will go down and you will be competitive."

The 65-year-old says he does not believe in retirement. "If you think you are retired, you will end up bedridden. He says every individual has hunger and it has nothing to do with the age of the person. Some people like to read books, some like music and some like to travel.

"This hunger should continue and you will not get old."

Many people may wonder what they will do when they get old or retire from jobs.

"But these elderly people have lots of experience. That experience is very important."

He plans to make his group even bigger and take up projects that are nationally important and have huge economic impact.

His plan also includes turning East Coast Group into a \$10 billion company.

## OUTSTANDING WOMAN OF THE YEAR

# He dreamt it, she built it

REFAYET ULLAH MIRDHA

Visionary entrepreneur Qamrun Nahar Zahir has led Ananta Group from the front to help its annual turnover to cross \$300 million last year.

Under her leadership, the group's export spiralled by nearly 100 times since 1993 when she took charge of the conglomerate after the sudden death of her husband and founder Humayun Zahir.

However, the early years were not smooth for Qamrun Nahar.

It was a tough task for her after the demise of Zahir to decide whether to take care of the budding business or focus only on the family of four school-going minors.

"It was a nightmare for me. I was senseless for a few days after the unusual death of my husband," said the woman who was only 41 then.

But the strong-willed Qamrun Nahar managed both the family and the business and achieved immense success.

Humayun Zahir had a small garment factory with only 500 workers and a few machineries on Elephant Road in Dhaka.

From only a few millions of exports in 1993, Ananta now employs 28,000 people across its global footprint and has an annual turnover exceeding \$300 million.

Qamrun Nahar hopes her group will be able to export \$305 million worth of apparel items now as it has been doing business with renowned international retailers and brands.

The company has the privilege of working with over 20 global giants, including H&M, GAP, NEXT, Jack & Jones, Levi's, Zara, Marks & Spencer and Primark.

Qamrun Nahar completed her BSc in biochemistry from University of Karachi in Pakistan and her MSc on the same subject from Dhaka University.

She had been a teacher in Dhaka Women's College, which was at first established by her husband and by herself at Dhanmondi in Dhaka.

Along with her teaching profession, Qamrun Nahar started garment business with a few work orders at a small factory in Dhaka's Elephant Road and made a little profit.

By this time, she sent her children abroad for higher studies and she continued her business with the help of her father and brothers.

In 1998, the moment came for Qamrun Nahar when she bought an old garment factory in Ashulia, which later changed everything in her life.

"Buying the old factory and making it functional was a turning point of my life."

The former owner of the old factory was failing to pay some 1,600 workers as he had little work orders. Qamrun Nahar renovated the production unit and the US retailer GAP started placing work orders. "I didn't need to look back as I had a handful of work orders and the factory was running well," she said.

In 2000, Sharif Zahir, now managing director of Ananta Group, joined her mother Qamrun Nahar to take the group to its current position.

Now, Ananta Group has eight state-of-the-art garment factories.

Qamrun Nahar, also the chairman of Ananta Properties and Ananta Energy Resources, has a plan to set up a model town on Madani Avenue on 13 acres of land in Dhaka.

Work of the Tk 2,500 crore mega real estate project will come to an end in the next seven years. Nine towers will be built which will be up for sale.

The chairman of the group has a plan to employ 3,000 people in different units every year till 2025, by



Qamrun Nahar Zahir  
Chairman of Ananta Apparels

Humayun Zahir had a small garment factory with only 500 workers and a few machineries on Elephant Road in Dhaka. From only a few millions of exports in 1993, Ananta now employs 28,000 people across its global footprint and has an annual turnover exceeding \$300 million.

which the company targets to export \$1 billion worth of garment items.

The company has already purchased 150 acres of land in Mirsarai to build another industrial village at a cost of \$450 million to produce diversified garment items like sportswear, lingerie and knitwear. The construction work of the village will start by December next year.

She also has a plan to go for a joint venture with Chinese or Sri Lankan companies for the operation of the Mirsarai project.

Qamrun Nahar has the plan to make two of her garment companies public by next year. She will float initial public offering of Ananta Denim and Ananta Apparels at the end of this year.

She has already signed agreement with global hotel chain management Marriott to operate a five-star hotel also on Madani Avenue.

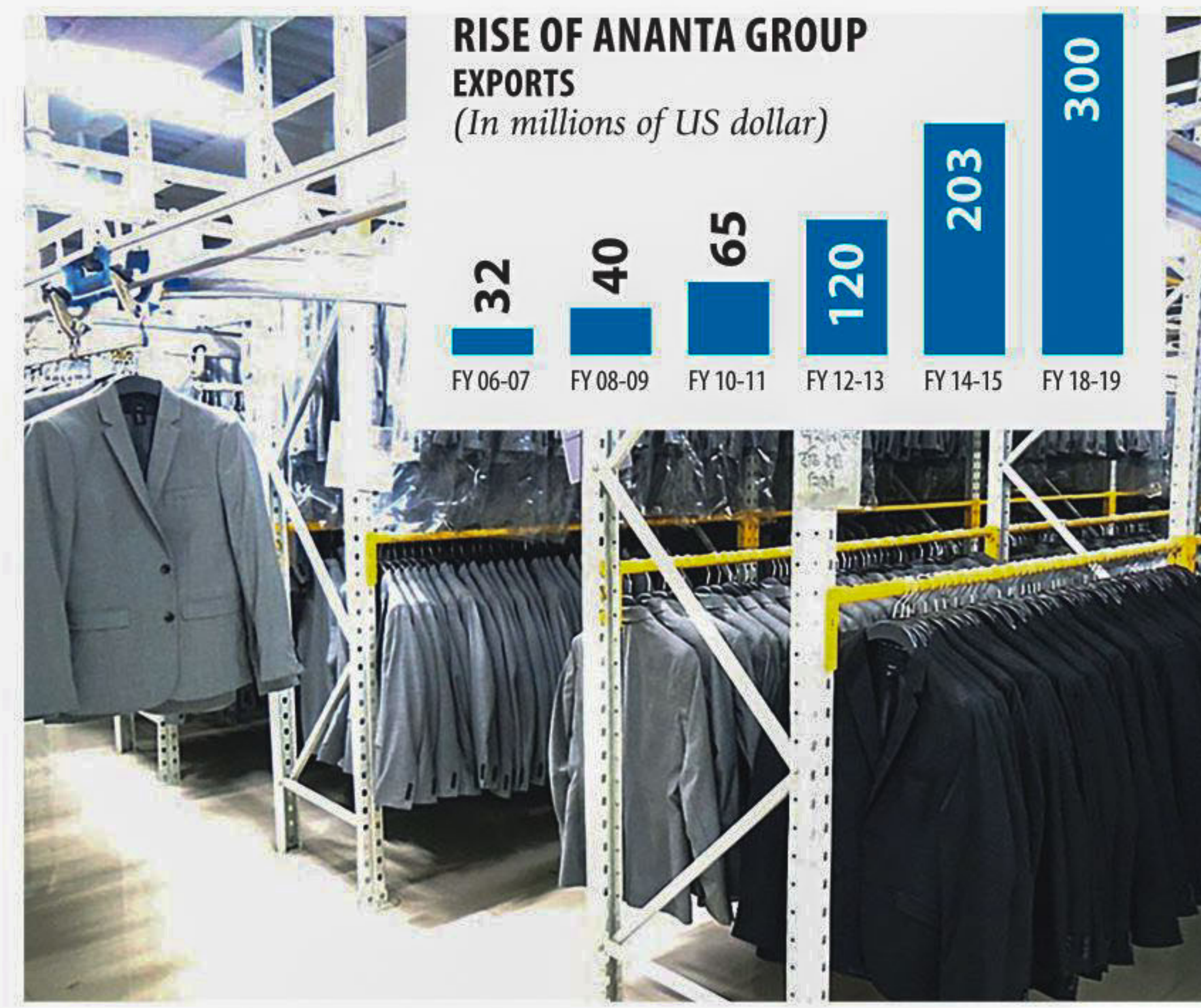
She also aims to open a mixed-use type five-star hotel by 2025 at a cost of \$250 million.

Her youngest child Asif Zahir, now a director of the group, joined the company after completing his studies from Harvard University and Stanford University.

Two of her daughters are staying abroad. One of them has been practising gynaecology in London and another one has been employed in a multinational company in the US as a consultant.

Social activist Qamrun Nahar is also a director of Janata Insurance and a former vice-chairman of the United Commercial Bank.

The first vice district governor of Lions Club, Dhaka and a life member of Gulshan Society, Qamrun Nahar also loves reading, travelling and sports. She was born in Noakhali in 1952.



## BEST FINANCIAL INSTITUTION

# A bright spot in financial sector

AKM ZAMIR UDDIN

IPDC Finance has become a model both for weak and strong banks and non-bank financial institutions (NBFIs) on the virtues of having strong corporate governance, banking on it to jumpstart its flailing business.

Established in 1981, when NBFIs were unheard of in Bangladesh, IPDC soon cornered a solid share of the market. By the 1990s it was extending finance to big business groups.

But things took a turn for the worse in the 2000s, when sprightly lenders entered the fray, appropriating IPDC's share of the market.

Out of desperation it had lent to questionable clients, and in 2006, its default loans accounted for 37 percent of its outstanding loans.

This was the turning point for the NBFI as soon the IPDC board recruited a set of go-getting individuals, who set about fixing the corporate governance and risk management framework off the bat.

They also came up with a technological module and dedicated loan recovery unit.

The initiatives paid off, and today the NBFI is a beacon of sound lending – enough to compel the jury board of this year's Bangladesh Business Awards to choose IPDC as the 'Best Financial Institution'.

"It was not an easy task to recruit good employees during that period as no one usually shows interest in joining an organisation whose financial health is on the wane," said Mominul Islam, managing director of IPDC. He joined IPDC in 2006 as its head of operations.

The new management gave importance to recovering default loans and prepared essential models ranging from corporate governance-related policies to innovative business frameworks.

During its recuperation, the NBFI had put a pause on any new business expansion, devoting all its faculties to bringing discipline in its lending practices and replenishing its financial health.

The plan succeeded, enough to attract the likes of Brac, which joined the IPDC board in 2015.

As of March, IPDC's classified loan ratio stands at just

1.26 percent, much lower than the industry's average over 11 percent.

It has concentrated on rolling out a range of attractive credit products eyeing the low and middle-income groups, which appears to have paid off.

In 2018, IPDC's net profits stood at Tk 45 crore, up 34.16 percent year-on-year and 172 percent from four years earlier.

Today, both the loan assessment and recovery department of the institution gets huge importance from the management.

"We have learned the techniques of corporate governance on how to contain default loans and choose good clients."

The NBFI has its sight on the housing sector: it wants to provide loans to those living outside of Dhaka and Chattogram.

For this end, it has introduced a nationwide affordable home loan product titled "Bhalo Basha" in February this year.

IPDC has targeted to increase its home loan portfolio to Tk 3,500 crore within the next three years. As of March, it has disbursed about Tk 700 crore in home loans.

As per its roadmap, people from the lower and lower middle-income group such as school teachers, nurses and security guards will turn into IPDC's core clients.

The NBFI will also organise a competition for students of architecture departments of universities. They will display three types of cost-effective home, Islam said.

The construction cost of the homes will range from Tk 2 lakh to Tk 50 lakh and it will help the NBFI to roll



Mominul Islam  
Managing Director of IPDC Finance

The volume of total loans and deposits at IPDC rose to Tk 4,432 crore and Tk 3,707 crore respectively in December last year, up from Tk 567 crore and Tk 399 crore four years ago.

out innovative credit products for the lower and lower middle-income groups.

The competition will layout a blueprint for marginalised people to build their dream home.

The lender is also giving special attention to developing new women entrepreneurs as only 3 percent of the SME loans usually go to them.

Last year, IPDC launched a dedicated credit product for women entrepreneurs named 'Joyi', which offers a maximum finance of Tk 50 lakh at an interest rate of 8 percent with a repayment period of one to five years.

The NBFI wants to disburse 30 percent of its total loans to women entrepreneurs by 2030 and it has already taken several initiatives to materialise the plan.

IPDC is still focusing on the SME sector given its great role in generating new jobs and 30 percent of its total outstanding loans have so far been given out to the small and medium entrepreneurs.

Under the SME credit programme, it rolled out a digital supply chain financing product titled 'Orjon', enabling entrepreneurs to get a variety of short-term loans in the field of factoring, reverse factoring, work order and distributor financing.

The volume of total loans and deposits at IPDC rose to Tk 4,432 crore and Tk 3,707 crore respectively in December last year, up from Tk 567 crore and Tk 399 crore four years ago.

But, IPDC is not satisfied at all with its latest performance: it wants more.

As per its roadmap, it wants to increase its credit volume at least fivefold to Tk 25,000 crore within the next five years.

"It is quite possible as our credit volume grew 10 times in the three and a half year to 2018," Islam said.

The NBFI will also take a plan to create a sound gender-friendly work environment.

It will increase the ratio of male and female employees to 30 percent within the next three years and 50 percent by 2030, up from the present ratio of 21 percent.

The NBFI also wants to create an outstanding organisational model for the country's business houses.

IPDC has already appointed females in top posts of some of its departments such as human resource, brand and communication, corporate business and so on.

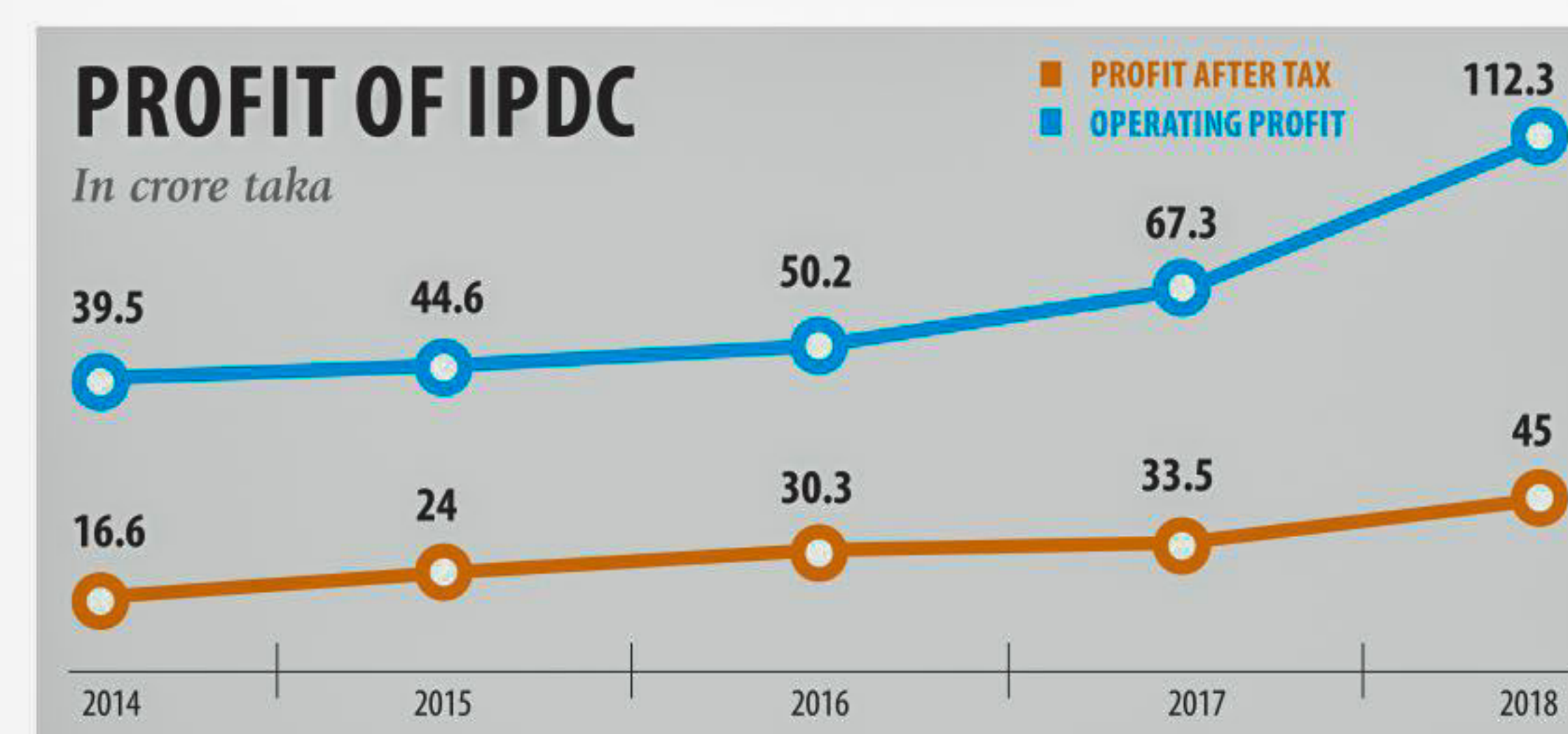
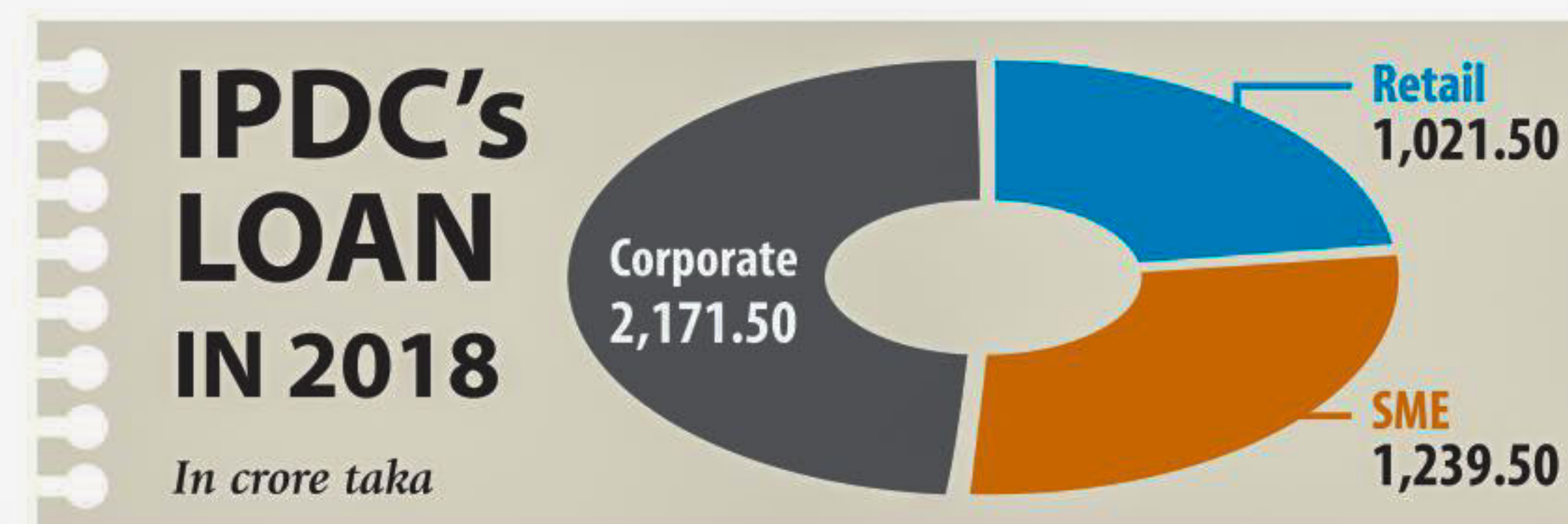


PHOTO: RUNNER GROUP

People work in a motorbike manufacturing plant of Runner Automobiles.

## ENTERPRISE OF THE YEAR

# A front-runner in bike industry

SOHEL PARVEZ

If you travel to the old part of Dhaka in winter, you may see colourful kites flying on top of the densely seated buildings. Even if you miss the colours in the air, you may notice 'Kite' moving through the congested streets of the city.

This is a scooter manufactured by Runner, a local firm that has made manufacturing of two-wheeler a reality in Bangladesh.

Branded as Kite, the unisex bike is one of the 15 models Runner Automobiles has been making locally for the last several years after it dared to set up facilities to make two-wheelers in Bangladesh, where imported foreign bikes ruled the market.

The journey began in 2000 when Hafizur Rahman Khan, now chairman of Runner Group, chose to enter the thrilling but risky world of entrepreneurship.

The company began with assembling motorcycles by setting up facilities to assemble bikes to cater to the domestic market. It assembled motorcycles of Dayang brand by importing them in completely knocked-down form from China.

Later, Runner opted to manufacture components of two-wheelers. And within a short period, it could establish its brand in the domestic market.

"What we realised that if we want to popularise our brand and expand the market, we have to reduce prices, and manufacturing is the way to do so," said Khan, who aspired to be an entrepreneur when he was a student at Rajshahi University's business faculty.

He joined a jute exporting firm to learn about business practically but within a short time he realised that the jute trading would not sustain in the face of competition from artificial fabrics and polythene.

Later, he started trading of agricultural pump in the 1980s and in the course of time he had developed contact with Japanese automobile maker Honda. Eventually, Khan engaged in the business of two-wheeler of Honda for some years before he finally decided to set up plant.

"We first began with welding."

Runner set up a factory in 2007 in Bhaluka, Mymensingh, about 70 kilometres north of Dhaka. After setting up machineries for punching, welding,

painting, assembling and testing it got official approval as a bike manufacturer in 2011.

The government also came up with tariff and tax discounts on import of components of bikes to support the endeavour to set up manufacturing facilities.

And, Runner started running as a full-fledged company on January 21, 2012. During the initial days, its daily manufacturing capacity was 500 bikes.

It has expanded capacity over the years and can now make 1,000 units daily. It makes 15 models of motorcycle and scooters using both domestic and imported components.

As a result of local manufacturing, Runner could bring down the prices of its bike to as low as Tk 65,000 from Tk 100,000 earlier.

"We have a target to bring down the price to Tk 40,000 to make two-wheelers more affordable," he said. Currently, it makes motorcycles between 55cc to 150cc engine capacity and markets both locally and abroad.

In domestic market, the company dominates in 50cc to 80cc segments of bikes thanks to their popularity in rural areas.

Today, Runner has 10 percent of the total annual market of about 5 lakh units of motorcycle. In monetary terms, the size of the two-wheeler market was about Tk 5,000 crore.

And its sales of two-wheeler are growing fast in domestic market every year. Its turnover from two-wheelers soared 37 percent year-on-year to Tk 332 crore in 2018, according to Runner.

"We are the market leader in the 80cc segment," he said.

Runner has also spread its wings outside of Bangladesh. The company, which debuted in exporting two-wheelers in 2017 to Nepal and Bhutan, shipped more



Hafizur Rahman Khan  
Chairman of Runner Group

The journey began in 2000 when Hafizur Rahman Khan, now chairman of Runner Group, chose to enter the thrilling but risky world of entrepreneurship

than 700 units of bikes in 2018. This year, it has targeted to export 1,200 units.

"We are trying to expand. We are trying to make our bike in line with the taste and preference of the respective market."

To fortify its position, Runner is working with small and medium enterprises and providing technical know-how to make spare parts and accessories namely seats, control cables, wiring harness, tyre, tube and battery plastic components.

"We are now working to develop vendors so that we can source components locally instead of importing. We have invested a lot to develop R&D facilities."

Runner's entry into manufacturing has also compelled makers of renowned two-wheeler brands like Honda to set up plants here.

"Today, almost all are setting up factories for manufacturing. Prices are falling and people are getting bikes at cheaper rates than before. As a pioneer in manufacturing, we can say that these are our achievements," said Khan.

Over time, Runner also expanded its business in diversified areas such lubricants, real estate, bricks, and distribution of four-wheeler commercial vehicles.

The group employs nearly 3,000 and has a sales network of more than 200 dealers across the country. In 2018, Runner Group's overall turnover was Tk 996 crore.

Buyers will choose those who will offer products at lower prices, he said, adding that once manufacturers from the US and Europe dominated the auto market but now those are from Japan, Korea, India, China, Taiwan and others.

"We are now forgetting the names of renowned brands such as Ford, GM, Harley Davidson that once dominated the world market. What does it indicate? It indicates that market will move to those who would offer lower prices."

Bangladesh has a number of advantages when compared with others. The costs of construction, land and electricity are still below the international level, he said.

"The other countries will not be able to offer motorcycle at prices that we will be able to offer," said 64-year old Khan.

The traditional two-wheelers and three-wheelers are not going to stay.