

BANGLADESHI AIR CARGO Reaching Europe through Delhi



PALLAB BHATTACHARYA

The Transshipment Excellence Centre at Indira Gandhi International Airport in New Delhi.

PALLAB BHATTACHARYA, from New Delhi
If the recent delivery of garment shipment from Dhaka to Manchester via Indira Gandhi International Airport's newly-launched Transshipment Excellence Centre (TEC) is anything to go by, it could emerge as a boon for Bangladesh's textile and retail industry looking to reach markets in Europe and the US. The shipment was unloaded from a recently-resumed Biman Bangladesh Airlines flight to Delhi and loaded again to a foreign airline. The transfer process took

just about half an hour, officials of Delhi International Airport Limited (DIAL) told The Daily Star. The average time for reconnection of transshipment cargo is between 45 minutes and six hours, they said. Until now, transshipment of garment from Bangladesh was solely through Dubai. But with Delhi now serving as a transshipment point the time and cost of freight have come down, according to officials. "TEC at Delhi airport will contribute significantly in promoting Bangladesh's textile and retail industry leveraging to

carry and connect voluminous air cargo across the world," said Sanjiv Edward, chief commercial officer of DIAL. Given the emergence of fast fashion in First World countries, there is a growing need of a transshipment hub to fast connect Bangladesh to the rest of the world, he added. Delhi airport provides maximum airline connectivity to the world among all the Indian airports, serving around 145 destinations. Since Bangladesh has no direct flights to various ports in Europe and the US, Delhi airport will serve

as a transshipment hub providing tremendous opportunity and connectivity to cargo originating in Bangladesh, Edward said. The TEC facility, which is a first-of-its-kind in any Indian airport, was created with the view to making the GMR Group-run Delhi airport a transshipment hub. Spanning 6,500 square metre, TEC has round-the-clock operation to provide smooth and fast movement of transshipment cargo in a well-integrated facility equipped with all the required infrastructure and cargo handling equipment. The customs and the Indian government have given their clearances to DIAL to operationalise the dedicated transshipment centre and charted out the Standing Operating Procedure (SOP) for handling transshipment cargo, DIAL officials said. Delhi has India's largest and busiest airport having two state-of-art cargo terminals to handle all types of cargo, such as textile, retail, electronics, perishable, pharma, project cargo, live stocks, etc. It has a cargo handling capacity of over 1.8 million tonnes annually, which can go up to 2.3 million tonnes. In financial year 2018-19, Delhi airport set a new milestone in India by recording the highest ever cargo handling of over one million tonnes in a year. Delhi airport also has a dedicated temperature control facility with a capacity to handle around 1.5 lakh tonnes perishable and pharma cargo annually to ensure end-to-end temperature controlled supply chain, DIAL officials said.

Google to pay up to \$200m to FTC on YouTube probe

REUTERS, Washington

ALPHABET Inc's Google will spend up to \$200 million to settle a Federal Trade Commission investigation into YouTube's alleged violation of a children's privacy law, a person briefed on the matter told Reuters. Politico reported the settlement is expected to be between \$150 million and \$200 million. The settlement is set to be announced next week and will be the largest ever fine imposed for violating the Children's Online Privacy Protection Rule by collecting personal information from kids without parental consent. The FTC voted 3-2 to approve the settlement and sent it to the Justice Department as part of the review process, Reuters confirmed, citing a person familiar with the matter. The Washington Post reported the settlement's approval in July but did not detail the amount of the civil penalty. The settlement will far surpass the previous record set in February, a \$5.7 million civil penalty imposed on Musical.ly, which did not ask for users' ages for three years. The online library for Musical.ly

— now known as TikTok — features music popular with kids. Senator Ed Markey, a Democrat, said Friday "the FTC appears to have let YouTube off the hook with a nominal fine for violating users' privacy online. And in this case, Google's intrusions on kids' personal info are at issue. We must come down hard on companies that infringe on children's privacy." On Thursday, Google launched YouTubeKids. The company said it built the site "to create a safer environment for kids to explore their interests and curiosity, while giving parents the tools to customise the experience for their kids." Parents can select from three different age groups to choose age-appropriate content — preschool, ages 5-7 and 8-12. Katharina Kopp, deputy director of the Center for Digital Democracy, said Friday "a settlement amount of \$150-200 million would be woefully low, considering the egregious nature of the violation, how much Google profited from violating the law, and given Google's size and revenue." She added the fine "would effectively reward Google for engaging in massive and illegal data collection."



REUTERS/FILE

A Google sign is seen during the World Artificial Intelligence Conference in Shanghai.

US doesn't have a 'tariff problem,' it has a 'Fed problem': Trump

AFP, Washington

PRESIDENT Donald Trump on Friday denied his trade wars were harming the US economy, instead lashing out the Federal Reserve and poorly run American companies. The Twitter outburst came just two days before Washington is due to start a wave of new tariffs on billions in Chinese imports after relations with Beijing deteriorated sharply this month. Fresh economic data Friday suggested the inflamed trade conflict with China is weighing on the outlook for the world's largest economy, which has slowed since the start of the year. A slowdown or recession could be a blow to Trump's reelection hopes. "We don't have a Tariff problem.... we have a Fed problem," Trump said on Twitter. As the euro falls against the dollar, it is "giving them a big export and manufacturing advantage," he tweeted, adding that his aggressive tariffs are taking care of "bad and/or unfair players." Trump also pointed the finger at "badly run and weak companies" for blaming his tariffs for their own poor performance. "Excuses!" But companies and industries have been outspoken warning about the damaging impact of the trade war and the tariffs, with the footwear industry calling the a "job killer." In earnings reports this week, Best Buy, Abercrombie & Fitch and others said the coming rounds of tariffs -- which will cover about \$300 billion in Chinese imports by December -- could do serious damage to profits.

Markets have been cheered this week by the more conciliatory tone struck by both sides, suggesting further escalations could be avoided. But Trump's latest tweets ruptured the brief, late-summer calm on Wall Street, which quickly sputtered and fell into the red. Vacillations due to the trade war in August mean US stocks are likely to see the first down month since May. Trump last week thunderously demanded that US companies withdraw from China and announced he was ratcheting up duty rates by five percent, after Beijing retaliated with tariffs on \$75 billion in American exports. Fears that Trump's trade wars are damaging the US economy and pushing the world toward recession have rippled through global markets this month -- with investors soothed this week by the more positive tone struck by Chinese and US officials. But trade officials have not confirmed any contacts have been held by telephone, nor have they announced any new rounds of talks. A closely-watched survey of consumer sentiment released Friday posted its biggest drop in six years in August, showing that trade war jitters have now filtered into the public. Richard Curtin, chief economist for the University of Michigan's survey of consumers, said the tariffs "were spontaneously mentioned" by one out of three survey respondents. American consumers so far have continued to support the economy, keeping US growth above other advanced countries, notably in Europe which faces turmoil from the looming Brexit event.

Succession management critical for business continuity



SAZZADUL HASSAN

"SUCCESSION is perhaps the most difficult job a board can do -- it is also one of the most important things a sitting CEO has to focus on," says Indra Nooyi, the immediate past chief executive officer of PepsiCo. She said this in an exclusive interview with The CEO Magazine. In the interview she also said, "Your success is not going to be decided by how well you ran the company; it's going to be determined by how good your successor ran the company." While reflecting on her days as CEO, Ms Nooyi categorically mentioned she was more worried about her legacy than she was about her performance as CEO. The statement "If the company collapsed after I left, it meant I didn't build a company with a solid foundation and a solid team" from one of the most successful business leaders of her time explains the importance of succession management for sustained business successes. According to a survey conducted by the Society for Human Resources, top executives of renowned companies believe two of the biggest challenges they have to face in next few years are: attracting the best talents and retaining them. In the backdrop of this reality of scarce resources, succession management has become an extremely important strategic issues for the enterprises. Let's try to have a deep dive into this all-important topic. In simple words, succession management is a process through which an organisation identifies and develops its future leaders who are ready to take over the responsibilities of any critical position as and when it gets vacant. Any critical position might get empty at any given point of time for numerous reasons like retirement, resignation, termination, transfer, promotion or even for the sad demise of the employee. Statistics shows each year 10 to 15 percent of the organisations replace their existing bosses with new ones. Yet study suggests not many companies are well-prepared to fill up the vacancies immediately. A survey conducted in 2010 jointly by Stanford University and a headhunting firm Heidrick & Struggles reveals that 54 percent of the companies were grooming a successor, while 39 percent did not have any suitable internal candidates who can replace their existing chiefs if the need arose. Dominic Barton, Ram Charan and Dennis Carey in their book "Talent Wins" stated that almost 66 percent of the companies didn't have

any formal succession plan. It is quite evident from different incidences that the cost of not having a proper succession plan can be significant. For example, in 2010 when Hewlett Packard announced that their CEO had stepped down, its share price took a nosedive. This sudden vacancy in the leadership role caused uncertainties among the investors and consequently the stock price took an 8.3 percent plunge. Another study conducted on 2,500 largest public companies unveiled that companies that struggle to find replacements for the outgoing CEOs relinquish \$1.8 billion in shareholder value. The more time a company

the vacant positions if there is any; devising a development plan for the identified talents; and monitoring the progress periodically in a structured manner. Many organisations use a tool called 9 Box Grid to assess their existing talent pool. In this tool, the X axis refers to the performance of an employee, while the Y axis denotes the potential of that person to grow within the organisation. There are a total nine boxes and based on the assessment an employee is placed in one of the boxes and accordingly development plan is chalked out. Employees falling in the top right corner box

9 BOX GRID TO ASSESS EMPLOYEES BASED ON PERFORMANCE AND POTENTIAL

| | | | | |
|-----------|--------|---------------|---------------------|-----------------------|
| POTENTIAL | High | Misplaced | Top potential | Top talent |
| | Medium | Promising | Emerging talent | Top performer |
| | Low | Question mark | Effective performer | Experienced performer |
| | | Low | Medium | High |
| | | PERFORMANCE | | |

spends on finding replacement for its departing leaders the worse it subsequently performs relative to its competitors. Besides financial losses, there are other risks as well. They are: (1) Loss of knowledge and experience: the outgoing employees take away loads of knowledges and experiences along with them; (2) Internal conflicts: to fill up the vacancies of a critical position, employees might compete with each other and might end up in power struggles which can result in conflicts among the colleagues; (3) Disruptions in day to day work: if people at the top leave and there is no immediate replacement, naturally there would be disruptions in day to day activities and decision-making may also get slowed down; and (4) Risks of losing other talents: when a senior leader leaves an organisation, quite often it happens that a few other employees follow suit which can be very costly. For succession planning, an organisation generally focuses on the senior positions which are extremely important for the company's profitability and success as a whole. Organisations having a proactive succession planning can ensure smooth transition of critical leadership positions. This process starts with identifying the critical roles; identifying the internal talents who can fulfill

labelled "Top Talent" are the best performers and have the highest potential to take over the senior management roles. Special attentions should be given to these employees to get them ready and constantly engage with them to keep them motivated so that they do not leave. Employees falling in the category of "Top Potential", "Emerging Talent" and "Top Performer" are also the bunch of people require lots of attention and focus to prepare them for the future. Off late visionary companies and their leaders have started to invest more time on effective succession planning. A study on 1,300 organisations worldwide shows that 99 percent of senior leaders participated in succession planning meetings and 95 percent take part in regular reviews. There is no shortcut to developing leaders for future. An age-old Chinese proverb says, "The best time to plant a tree was 20 years ago, the second-best time is today." This is absolutely true for organisations to plan for the successors for business-critical positions. Some management experts rightfully suggest succession planning for a CEO start five years before the current CEO plans to retire.

The writer is the chairman and managing director of BASF Bangladesh. Views expressed here are personal.



AFP/FILE

US President Donald Trump shakes hands with his nominee for Chairman of the Federal Reserve, Jerome Powell (R), in the Rose Garden of the White House in Washington.