

FAZLUR RAHMAN - 2005



Chairman of City Group of Industries

In the late 1950s, a nine year old boy in Gandaria had to leave school unexpectedly and take over the responsibility of his family when his father was stricken with paralysis.

Despite years of struggle when the boy ran a grocery store at a very tender age, he always harboured a secret dream. He aspired to be a business magnate when he grew up! He was still too young to verbalise what it was he wanted to do, but of the ultimate goal, he was sure of. That, in a nutshell, is the background of none other than Fazlur Rahman, a well acknowledged player in the private sector today and the proud owner of a business conglomerate worth Tk 4.5 billion.

The enterprise that Rahman has created,

City Group, today produces numerous items in the food sector ranging from various types of oil (soybean, palm, mustard, and coconut), to flour, iodised salt, and mineral water. These products are all branded as "Teer," his flagship brand that has become a successful household name.

Some of the companies in his group are also engaged in producing feedmeal, woven bags, steel rods, tin containers, and plastic drums. Approximately 5,000 people are employed by Rahman. His personal contribution to the national exchequer amounts to Tk 19 million.

City Group's journey over the years has not been an easy ride, even though Rahman is characteristically modest about his perseverance in the initial years.

"There was no hardship, only ups and downs", he comments.

Rahman remembers using his entire life savings to launch his first venture of mustard oil production at the age of 19.

This company, City Oil Mills, eventually saw some profits which were all wiped out in the early 1970s when oil prices dropped.

Undaunted, Rahman borrowed from a friend and again restarted his mills including a new steel mill in 1980.

Unfortunately, the flood of 1988 again destroyed his inventories and pulled him down. Understanding financiers and an ever supportive invalid father, Rahman

never had to look back again.

In that very year, he was able to profit Tk 35 million even after paying his banks off. Over the next decade, he was able to take his enterprise to new heights by launching a soybean refinery, re-rolling mill, flour mill, and buying a tank terminal.

Retrospectively, Rahman knows that each of his decisions to enter new product areas took an average of 10 years, but he is satisfied with the scale and scope he has been able to build up today.

He knew that with increasing population, changing lifestyle, and growing quality consciousness, the food sector would be lucrative. And he also rightly predicted that quality production would be critical.

That is precisely why he has invested in state-of-the-art European machinery to give "Teer" products an edge over others. He also ensures better raw materials vis-à-vis other competitors in the hope that "Teer" will come to represent quality, quantity, and commitment to his millions of consumers.

Rahman is disturbed by the recent scandals in the Bangladeshi food business. He feels the damage that has been done by the dubious exports of one company will take years to overcome.

"This incident has brought tremendous disgrace for our entire country and has significantly affected our prospects for food

export," he points out.

He is also frustrated by the widespread practice of adulterating food products in the domestic market. As far as his own business philosophy is concerned, Rahman feels that if a company does not have good relations with customers, quality production, and efficient service, it will not

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be able to survive in the long run – these should be considered as the basic mantra for success.

At the same time, Rahman is outspoken against the operations of the mobile food courts. He feels that these surveillance teams often do not have real experience, equipment, and expertise to carry out

proper analysis; hence they should not be allowed to destroy people's decades of effort by issuing random reports.

Overall, Rahman believes that professionalism and responsible business practices will flourish in corporate Bangladesh once entrepreneurs mature beyond the current first generation. He also feels that the government can play a more effective role in helping our private sector become more competitive.

Rahman cites specific areas that can benefit from intervention for instance, businesses need coherent policy support and interest rate consistency to compete with our neighbouring countries. Furthermore, the entire range of benefits available as part of SAARC and other trade agreements have remained largely unexplored.

Industry is the key to growth for our country; if the government realises this and works towards removing the obstacles, the private sector of this country can achieve much more.

Rahman's vision for the future is to provide hygienic and quality food consumables to consumers at an affordable price. He also has an ambitious plan of producing a complete food chain including milk powder, spices, and additives that can occupy the entire shelf of a standard food store.

KAZI ZAHEDUL HASAN - 2004



Managing Director of Kazi Farms Group

Stories of professionals creating successful enterprises are still rare in this country. That of a trained architect entering an unrelated sector like poultry has got to be absolutely unprecedented. But that is exactly the story of Kazi Zahedul Hasan.

Born in 1941 in Dhaka, Hasan graduated from Buet in 1962 and joined the same institution as a lecturer. In 1963, he availed of an USAID scholarship and left for an architecture degree at Harvard University. He returned to the country after four years and started teaching again at Buet while working part-time at an architectural firm. Over the next 10 years of his life, Hasan went through a series of major life-changing events. Starting with marriage in 1968 and

the birth of his twin sons, he went back to Massachusetts for his wife's PhD and then moved to Saudi Arabia to teach at King Abdul Aziz University.

Hasan returned to the country for good in 1983 and made a sequence of decisions that eventually led to where he is today. At the beginning, he did what was probably most expected of him – he opened up his own architectural outfit.

But soon, intrigued by the booming sector of export-oriented RMGs, he launched Kazi Fashion Ltd. In 1995, he bought a large piece of land in Sreepur to construct a textile factory that would feed into his garment-making unit. Constructed on 2 bighas of land, the textile factory still left another 30 bighas idle.

Toying with ideas of how this land can be utilised, Hasan at first tested fish cultivation. The quality of the soil, however, was not conducive for water retention. At this time, destiny played a major role. On a trip to Delhi, he met, through friends, a man who was a pioneer in the Indian poultry business. From then on, Hasan's life shifted onto an entirely different track.

Enchanted by the peace and quiet of poultry farms, which proved especially refreshing after the perennial problems of RMG production, Hasan eagerly studied the Bangladeshi poultry market. The sector was completely new to him but he discovered

immense potential in the fact that the commercial poultry breeding industry was fragmented at that time – a few breeding farms existed but were not profitable and had not implemented much of modern technology.

Aggregate market demand was definitely not being met locally; on the other hand, imports were expensive and there were not enough flights available to carry live cargo. Overall, it seemed like a perfect scenario that demanded intervention – and the Ivy League architect was more than willing to chip in.

Hasan travelled to numerous countries that are currently the top names in the poultry sector, i.e., Thailand, Malaysia, Taiwan, US, Philippines, etc., chose the latest technologies and promptly launched the first company of Kazi Farms Group, Kazi Farms Ltd, in 1996.

Today, the group is engaged in a whole range of integrated poultry activities, starting from parent stock chicks and day-old broiler and layer chicks to broiler chicken, hatching eggs, and commercial feed, through numerous enterprises. The company employs a large number of trained expatriates, local poultry veterinarians, and management specialists. It also has a well-equipped poultry laboratory.

Till date, Kazi Farms has played a pioneering role in numerous aspects of the

poultry sector. The group launched the first grandparent stock farm in the country meaning that local breeders no longer have to pay high prices, in foreign currency, to source the parent flock from abroad. From February this year, the company has also started exporting hatching eggs, i.e., eggs that are used for commercial poultry meat

gained genuine goodwill because of its discipline in loan repayments. Also noteworthy is its role in environmental stewardship – Hasan truly believes in building, operating, and maintaining its facilities in a manner that is consistent with the long-term sustainability of the ecosystem.

So, what key challenges did this professional-turned entrepreneur face at the onset? Hasan, retrospectively, admits that doing business in Bangladesh is difficult, especially after living abroad. Still, what works are the support system of friends and relatives and the individual determination to persevere. Besides, he adds, "Bangladesh has a lot of opportunities to offer. For instance, you cannot even think of entering poultry in mature markets like the US. Work and patience do pay off here."

In terms of future plans, Hasan has a lot in the pipeline. Kazi Farms is considering further processing of its products and offering more value-addition in terms of dressed, ready-to-eat, and organic poultry products. In the upcoming years, local production can easily capture the regional export market.

Food product export from Bangladesh is generally not perceived to be an easy task, for example, Europe requires stringent compliance as a prerequisite but overall, it is very much achievable.

MOHAMMED MIZANUR RAHMAN - 2003



Chairman of PHP Group

Borrowing money from banks to set up businesses and making timely repayments – without seeking time extensions or interest waivers – are rare in our present-day society. But there are a few entrepreneurs who are outside the mainstream. They work diligently with honesty and sincerity to achieve their goals. Mohammed Mizanur Rahman is such a businessman.

He has set many examples in his 41-year career – eight years in banking and 33 years in business. A pioneer in the ship breaking industry, Rahman showed the courage to import the first very large crude carrier (VLCC) in 1985. He was also the first entrepreneur to set up a cold roll coil industry in the country in 1997. Now Rahman, founder chairman of PHP Group, is envisioning the country's first integrated steel mill to produce CI sheets from the basic ingredient of iron ore.

Born in 1941 in Rupganj under Narayanganj district, Rahman started his career in a private company, for a meagre Tk 100 monthly salary, just after completing his HSC education in 1963. Two years later, he joined the National Bank of Pakistan (now Sonali Bank) completing his graduation and a diploma in banking. The year 1966 was a turning point for his career as he joined the Eastern Mercantile Bank (now Pubali Bank) with a five-grade promotion at a time.

But soon his banking career drew to an end as he decided to switch over to self-employment. Rahman's father – Sufi Mohammed Daemuddin – inspired him to start his own venture. "If you know how to do business, money will be no problem," his father told him in his early life. Rahman understood the meaning of these words later.

Just after independence, he resigned from work and started a small business with hardly any capital. With only Tk 1,483 in hand, he got involved in importing tyres, tubes, and later trading CI sheets. He had learnt the export-import business while working in the foreign exchange departments of various banks which now helped him immensely. And the tremendous scope for doing business in the post-liberation period greatly encouraged him. "Life consists of a few decisions and it is very important to take the right decision at the right time," Rahman said as he recalls successfully utilising the business opportunities existing at that time.

As he maintained good relationships with banks and earned their confidence, banks would open letters of credit for him with nil margin and grant him trust receipt under which he could take delivery of imported goods. After selling the products, he could make payments to the banks. "I always thought I had taken money from someone and I must repay on time. Sometimes I repaid the banks' money though I could not make any profit. I never requested them for waiving interests or

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extending time for repayment and, in turn, on many occasions banks helped me out."

The genuine entrepreneurs are paying heavily for a default culture. It is very difficult to survive for a business after paying 14 percent interest on loans. Entrepreneurs could get loans at five percent interest if banks' money is properly utilised and loans are repaid on time, Rahman feels.

"Entrepreneurs face impediments at every stage of achieving their goals. The present working environment, particularly in government offices, is not conducive.

There are many people who can really do something for the country but, due to lack of policy support, they are lagging behind."

The first project of the group was a ship-breaking plant set up in 1982 involving huge risks. But when Rahman succeeded, other entrepreneurs got involved in the same business. They used to purchase 4,000-5,000 tons capacity ships at this stage. But Rahman took another risk purchasing a 40,000-ton capacity very large crude carrier for the first time in 1985. This initiative added a new dimension to the ship-breaking industry.

Then Rahman set up a re-rolling mill to manufacture MS rods. In 1986, the group expanded its business by setting up a CI sheet mill and, in a short period of time, two more units were added. Setting up of the first cold roll coil (CR coil) mill in the country in 1997 was a turning point for the group.

In these areas, the group obtained technical support from Kobe Steel Industry of Japan. "We have tried to infuse Japanese business culture in our organisation – in terms of product, quality, management, marketing, administration, research and development, and human resource development. We have been successful as our quality is now equivalent to that of Japanese products," Rahman observes.

At present, the group has around 5,000 employees in different units and Rahman is very much sincere in ensuring their welfare. Rafiqul Islam, an employee of the business group, died of cancer in 1994 but his family did not face any financial problem after his

death as the company continued to extend all financial benefits to the family including the increments and bonuses he used to enjoy when he was alive.

The group also believes in investing for its long-term goals. Many of the employees' children are now doing their higher studies abroad and the group is ready to welcome them after completing their education. All of Rahman's seven sons went abroad for their education. After completing their studies, five have already returned home and taken responsibilities of different companies of the group to take it forward further.

PHP has been able to build confidence not only at home but also in the international arena. Korean company Posco, which owns the largest steel mill in the world, exports its hot roll coils to very few selected buyers, of which PHP is one. PHP is also an active exporter in the global market. PHP Shipbreaking & Recycling Industries Ltd exports copper and other products to Japan, South Korea, Taiwan, and other countries. Other products of the group are exported to Myanmar, China, Sri Lanka, Malaysia, and many African countries. Total exports amounted to Tk 98.27 crore in 2003.

A follower of Sufism, Mizanur Rahman is the chief patron of Allama Rumi Society named after father of Sufism Rumi. Rahman likes to speak on Sufism and other religious issues. He has interests in reading books, singing, and meeting great people in his leisure time.