



BUILDING BRIDGES TO LEADERSHIP



Having served in several subsidiaries of AK Khan & Co Ltd as director since mid-1990s, AK Khan has become a visionary leader in the private sector. He was Coordinating Director, Power & Energy Committee, DCCI, 2008-2009. He was also Coordinating Director, Infrastructure & Transportation, DCCI, 2003-2006. With years of experience in leadership roles, Khan talks about creating, nurturing and facilitating future leaders of our country

As a country, what would you say our economic focus right now and for the next five to ten years should be?

As a country, our focus should be on creating employment. We have a large operation. Every year, there are 2.5 to 3 million people joining the workforce. We need to give them jobs. The first priority of any country should be to give employment opportunities to its citizens. The priority should be on employment generation, creating employment and focusing on sectors

with potential. Expansion of garments manufacturing could cater to such a big workforce.

Bangladesh is the second largest at the moment with China being on the top. However there is a significant difference between these two players. China is becoming very expensive in terms of their labour cost due to their economic growth. Growth of any economy would lead to wage increases. China is becoming verify in some sectors like basic electronics, clothing or packaging. Chinese labour force is now more interested in getting higher job value in the chain. They want to work for Huawei or computer companies. They don't want to work at the lower segment of the production. A strategy is being developed among companies operating in China; they are looking at a second base and calling it "China plus one." So China being their core production base, they want to have another base to offset that production cost. So there are big companies from Japan, China and Europe, all following the "China plus one" strategy.

In that perspective, Bangladesh is their number one choice because of their established garment sector growing at a 20-25 percent growth rate. Companies from Vietnam, Laos, Cambodia, Indonesia and India are their other choices. The Garment industry is a sector where Bangladesh has the opportunity to grow from perhaps 20 billion exports to 50 billion in five to six years. Packaging industry would be another sector. Packaging for products like camera, chocolate, computers,

etc. If Europeans, Japanese or Chinese are appointed to package something, it'll cost more because the per hour labour cost is high there.

So there is an opportunity for Bangladesh to grab that promising packaging industry, it is highly labour intensive. Products will be shipped to Bangladesh from other countries for packaging. For example, a Canon camera made in China is not necessarily packed in China. Once the route from Dhaka to Chittagong to Kunming through Yangon is opened and we have transit access through Burma to China, then the costs of packaging will become very competitive. This is one industry where I feel Bangladesh can expand its opportunities in, and get business for the country.

There are stages in the RMG sector: low, mid and high segments. The low segment consists of T-shirts and casual wears and the mid segment has more of the expensive clothing items. Currently we are at the low segment and we have the opportunity to climb to the top of the pyramid. Ship building, ICT, call centre and outsourcing are other options to pursue. We really need a strategy and an objective so that we can decide where we want to be. If we want to set up call centres for MasterCard, we can't just do that because we haven't developed our human resource and we don't have the proper tools to make them more productive. All of us do not need to be engineers or have a master's degree because there are a lot

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of different levels of education skill sets that the economy can use. We need to identify those skills. This requires extensive planning.

Instead of looking at a five year plan, we need a 20-year plan that the government has already sketched out – it's called Vision 2021. The government aims achieving certain objectives but from a business point of view, these objectives need to match the business and economic growth because the drivers of the economy are in the private sectors and they are the ones creating employment opportunities. Entrepreneurs are there to build factories but the government has to assist them by providing land, gas, electricity, policy, etc. Government needs to plan ahead and facilitate in order for us to reach our objectives in the future. There has to be an integrated planning system for the whole country. There has to be a business think tank that would keep the government updated on what is happening globally. We need to do a competitive analysis

and check what the neighbouring countries are planning to do in the next five years. Today, we can boast about Bangladesh standing out because we have cheap and good labour but that cannot be our only advantage. This will not be the case for long because when Africa opens up, we won't have that upper hand anymore because they'll probably have cheaper labour. Foreign investors and entrepreneurs will not have a reason to stay here anymore. Therefore, for the next five years, our focus should be on our objectives, elements to reach those objectives, monitor tax and VAT regimes and also consider domestic market along with foreign market. So, policy planners/makers and the business community need to be in sync.

The Government plans to create 2000 entrepreneurs within a certain deadline. What sectors do you recommend that entrepreneurs can invest in, apart from international markets?

Government can make policies, give special incentives to entrepreneurs who want to enter the market and start a business but they cannot create 2,000 entrepreneurs overnight. Entrepreneurs will make his call on which is the most profitable in terms of return on investment. It's all about demand and supply and government needs to let that work independently and not influence it. They can regulate and control so that nobody creates a monopolistic regime. They need to create a playing field where every individual gets an equal opportunity to compete against each other.

We are talking about a GDP growth of eight percent for some time but we are falling behind, would you say we can push ourselves in a certain way to create growth in that respect?

Bangladesh has the potential to grow in double digits. I believe it can recover and gain up to 10 percent in

the next five years. There was a study conducted by ADB in 2004 about the Dhaka-Chittagong highway and the conclusion was that if this highway had four or six lanes like the freeways in America, then the economy would grow by an additional one percent because of the efficiency it will bring about. This access can create jobs and it will move traffic faster which ensures efficiency and thus an increase in productivity. This will also have a social economic impact because once the proper highway is constructed between Dhaka and Chittagong, people will move from Dhaka to live in Comilla or Feni. Suburbs and satellite towns will develop within that corridor. It's too expensive to live in Dhaka nowadays, with very little space to move around. The infrastructure needs to be rebuilt for the cities.

How critical would you say knowledge and creativity is for the growth of the country at this moment?

It is very critical because right now everything is knowledge based. Information is easily available because of the Internet. People living in Bangladesh can learn what is happening globally and what kind of inventions are taking place. However, it will take time for Bangladesh to move into a real knowledge based economy. We have to understand the ground realities of Bangladesh; we are a third world country. We are an agro based country and it is now moving towards a semi manufacturing based one in the next 10 to 15 years. The transition from an agro based to a manufacturing one would need a lot of adjustments and reformation. For example, you need to check zoning laws. I want an economy where an agricultural worker or owner is sitting in Rajshahi and selling his products online at his desired price. But for this to work, effective education, infrastructure and delivery system need to be in place. I'm not saying it won't happen but it'll take time.

What would you say our country needs in terms of leadership from a governance point of view?

We need many leaders of various capacities. Leaders will guide us in terms of intellect, business, policy, create more freedom for the press and develop the economy of the country. The world is becoming very specialised. There is not one but many leaders in a country taking care of different matters. We want our leaders to improve the country and people. But leaders are created in different sectors and they need to be brought together for brainstorming. Leadership should be something inclusive not exclusive. One cannot think he/she knows the best. Leaders are either born or made by experience, knowledge and meeting other leaders. This is inclusive leadership which takes every group of people and voice into consideration and moves towards development while taking every single individual and leaving no one behind. Everybody is a leader in their own way but they need to ask how much they are doing to give back to the country which has given them the opportunity to survive.

We do have good leaders in our country but maybe we are very exclusive to the leaders.

Is it possible to create leaders through specialised leadership institutions?

Yes, but institutions would create stereotypical leaders. Leaders are made by their own right. If you put up institutions and create leaders, then you might not find the great leader you're looking for; instead, you are just putting some leadership thoughts in individuals. Leadership is a responsibility that can't be taught, it has to come from within. For example, in the USA, Obama is a great speaker and a leader but he also has all the qualities to be the President. He has good leadership within his team. He didn't come from any institution churning out leaders. He came from the root and became a leader. He shares the collective responsibility with his selected people who he believes can deliver.

How do non-profit or profit based organisations incorporate leadership traits in their system so that they can develop the nation as a whole?

There are many ways the managing director of a company can contribute through the chambers, making transparent his affiliation with social organisations, networking, sharing ideas, experience, as well as grooming up on CSR activities contributing to society and promoting education for

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employment generation. He can make a great difference by contributing to the development of the nation through his resources. These activities however need to be sustainable.

In terms of leadership sprouting from education, would you say we need to change something in the education system as a whole?

I would revamp the entire education system. I'd sketch out a 10 year plan and my prime objective would be to implement a curriculum that will assist each student or citizen to become a global citizen. With that education, he can get a job anywhere in the world. Some people might say that's not possible because we are poor, but I say people are not thinking out of the box and suffering from an inferiority complex. I'd bring educationists and consultants from America, England, Singapore, Japan and Korea, take their advice and ask them where they are focusing in the next 10 years. Taking their perspectives into account, I'd then create a plan that is failor-made for our country. I would introduce technology based education system because there aren't enough teachers to educate such a large population. Monitoring this system is equally important. Education system cannot be based on trial and error. It will destroy an entire generation.

Do you think present leaders spend enough time in creating their successor for the next generation?

I don't think so. We are too engrossed in our past, not noticing the present and we are forgetting there is a future.

There are different kinds of leaders, which kind do you believe is apt to lead our nation?

I believe in disciplined democracy. I don't believe one man's comfort would be another man's nightmare. Every group, be it small or big, need to be respected. After all, Bangladesh is our country. Everyone dreams of a developed and a strong economy. ■

