

TIME

The Man in the Middle

Ukrainian President **Volodymyr Zelensky** on being caught between Putin and Trump

By **Simon Shuster**



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SIKDER GROUP

Powering Positive Change in Bangladesh



As Bangladesh prepares to commemorate the 50th anniversary of its independence, on March 26th 2021, the authorities in Dhaka and several large private sector concerns such as the Sikder Group are working hard to ensure that the country has something special to celebrate. Led by Prime Minister Sheikh Hasina Wazed, planning began a decade ago and she is determined to honor the legacy of her father, and Bangladesh's first President, Sheikh Mujibur Rahman.

At the heart of these efforts is the Prime Minister's Bangladesh Vision 2021. An initiative that sets out a framework for the future of the country as an economically and politically inclusive society. One of the key goals identified by the Prime Minister and her planners as they formulated the initiatives was to establish Bangladesh as a 'globally integrated regional economic and commercial hub', which is where the Sikder Group comes in. After a decade in which the Sikder Group has pioneered the use of private-public financing to upgrade Bangladesh's infrastructure, its focus has now turned to the construction of the most ambitious urban development project ever planned for the country. The project in question is the \$8 billion Central Business District (CBD) whose foundations are now being laid on a 114-acre site in Purbachal New Town to the north-east of Dhaka.

Bangladesh's Capital Development Authority, RAJUK, awarded the CBD contract to the consortium that the group's PowerPac subsidiary entered into with the giant Japanese Kajima Corporation last year, and the project is still in its infancy. While final details of the proposal have yet to be confirmed, all of the initial concepts promise to live up to the claim



of Managing Director Mr. Ron Haque Sikder that "Bangladesh won't have seen anything like it." It also seems certain to become a fitting flagship for the Prime Minister's Bangladesh Vision 2021 initiative, especially if its centerpiece is the Bangbandhu Tri-Tower complex. This project would include three towers of 52, 71 and 96 stories in height, each intended to commemorate one of three watershed moments in Bangladesh's history – the 1952 language movement, the liberation of 1971, and the beginning of Sheikh Hasina's first term as prime minister in 1996.

The CBD is the latest in a series of groundbreaking developments that has seen the Sikder Group establish itself as the largest infrastructure development company in the

country and a global corporate venture with stakes in almost every major business sector imaginable, with more than 6,000 employees around the world. Established in 1950 by the legendary Zainul Haque Sikder, the group currently has a numerous of limited liability companies under its umbrella; Which are located in Bangladesh as well as spread across Singapore, and Thailand. The group also has a stake in CNN Money Switzerland.

"Our father was a war hero and he set up the group as a construction company," says Sikder, who runs the company beside his brother Rick. "But while we were growing up we all decided that we wanted to go to the US. We learnt a lot there, but eventually my brother and I came to the conclusion that if we wanted to create something really big we should move back here." On return to Bangladesh they began with a series of dealerships representing companies such as Volvo, but the defining moment in the recent history of the Sikder Group was probably in 2011 when they moved into power generation.

Bangladesh's power sector is one of the fastest growing in South Asia. Annual capacity grew from 5% in 2012, to 28% in 2018, and the government plans to increase electricity

generation levels from an estimated 24,000 MW in 2021 to 60,000 in 2041. Yet the rate of urbanization in Bangladesh is staggering, as an estimated 1,400 people arrive to live in Dhaka daily. This urban migration along with a rapid acceleration in industrialization has put additional strain on a national electricity grid that had already barely been coping with power demands for years.

This situation has created a huge opportunity for companies like the Sikder Group who have the courage, acumen and financial clout. In 2010 they set up their PowerPac Holdings energy subsidiary and within a year were awarded the contracts to build two power plants by the Bangladesh Power Development Board (BPDB). Sikder Group now operates in Keraniganj and Jamalpur, and a further two are under development.

“POWER UNDERPINS EVERYTHING FROM THE DEVELOPMENT OF MULTI-BILLION-DOLLAR PROJECTS TO THE QUALITY OF DAY-TO-DAY LIFE,” SIKDER SAYS. “SO WHICHEVER WAY YOU LOOK AT IT, THE ENERGY SECTOR IS THE LIFEBLOOD OF THE ECONOMY.”

Winning that initial contract positioned the Sikder Group in the vanguard of the ongoing drive to transform and modernize the Bangladesh economy and four years later PowerPac became the first Bangladeshi company to win a contract to develop a Special Economic Zone (SEZ) using the PPP model. At the time, both concepts were seen as downright radical. “Most Bangladeshis had no knowledge of economic zones back then,” says Sikder, “and the Mongla Economic Zone (MEZ) was also one of the country’s first-ever PPP contracts. Most of our contracts are like that. We do things that nobody has ever thought of. We are frequently ahead of our time.”

Located on a 205-acre site close to the port of Mongla and 40 kilometers from Bangladesh’s third largest city Khulna in the district of Bagherat, the MEZ is eventually expected to create 20,000 jobs. Under the terms of the contract, the PowerPac’s Economic Zone subsidiary is responsible for the construction of roads, bridges, as well as drinking water and power supply lines. In return it has secured the



RICK HAQUE SIKDER, CHAIRMAN

rights to run the SEZ for a 50-year period. It has also been contracted to build two jetties in the port itself and earlier this year appointed the Mongla-based Saif Port Holdings with a \$95 million EPC contract for their construction and ongoing operation.

The development of Mongla port is seen as critical if Bangladesh is ever to fulfill its economic potential. It is only one of two seaports of any significant size in Bangladesh and, with around \$60 billion flowing through the country each year, it is desperately short of the capacity to accommodate the ever-larger container ships now deployed by the shipping industry. Public-private sector investment such as the Mongla SEZ represent a step in the right direction. It may be a relatively small one, but could well help attract further inward investment into the country’s port infrastructure especially from China as Beijing seeks to reopen the old Silk Road trade routes through its One Belt One Road initiative.

There was bigger and better to come. In 2017, the Bangladesh Economic Zones Authority (BEZA) awarded PowerPac the Phase 1 contract to develop an SEZ in Chittagong, Bangladesh’s other major seaport and indisputable its most strategically important. The total SEZ is about 50 miles north of the town itself the \$12bn, 30,000-acre Mirsarai Economic Zone is expected to create employment opportunities for 1.5 million people over the next 15 years. It will be the country’s first multi-sector economic zone; work is now in full swing and the first denim mill is expected to begin operations by the end of the year.

Through its involvement in these and other prestigious projects, the Sikder Group is



RON HAQUE SIKDER,
MANAGING DIRECTOR

making a very tangible contribution to the transformation of the economic and commercial dynamic of Bangladesh. Thanks to a business philosophy that prioritizes investment in human capital, it is also helping improve the quality of the country’s labor pool. “We are not a labor-intensive company,” Sikder says, “we are much more intellectually oriented. The majority of our 6,000 employees are highly skilled and we take a lot of time and effort to train them up to the requisite level. We regularly partner up with international brands and invite their senior managers to come and talk to them.” This, he believes, is not just beneficial for the company, but for the country as a whole.

Another central tenet to that philosophy is the group’s flexibility and speed of decision making which in their opinion vindicates their decision to remain a privately-owned business. This, Sikder say, gives them the autonomy to think on their feet and to act accordingly, while consistently playing to their strengths. “We believe in sticking to our core activities and being good at them rather than being involved in everything, and that also means being able to make fast decisions.”

The Sikder Group may not be looking to list their, or their subsidiaries’ shares any time soon, but the brothers are always ready to discuss new projects. On one condition. “Wherever we work, we only work with the best.”



POWER PAC HOLDINGS LTD.