

# Building a tradition of trust

## INTERVIEW WITH SHAHID ALI

MANAGING DIRECTOR OF THE STATE TRADING ORGANISATION (STO) PLC



**SHAHID ALI** is Managing Director of the State Trading Organisation (STO) Plc, the leading trading company in the Maldives. Prior to his appointment as MD, he held various positions within the Maldivian government, including at the Ministry of Finance and Treasury and the Ministry of Planning, and as such worked on many important projects executed by multilateral agencies such as the World Bank, ADB and UNDP. He holds a post-graduate degree in Project Management and an MBA from the Australian National University.

### What is your greatest motivation as Managing Director of the State Trading Organisation?

The very challenge of leading this important organisation is the greatest motivation in this job. STO is one of the largest business organisations in the country and we play a vital role in the local economy by importing and maintaining adequate stocks of staple foods, petroleum products, pharmaceuticals and building materials. The challenge is ensuring a constant supply while prices are maintained within reasonable limits thereby moderating the cost of living of the people. In the current economic context with a declining supply of foreign exchange, the challenge of sustainably growing STO's business becomes even greater.

### What are the company's plans for the future?

STO Plc intends to become a flagship national enterprise that will be highly profitable, highly transparent and accountable in all its dealings and highly trusted by all stakeholders. STO plans to expand internationally into foreign trade, thereby bringing these benefits to the national economy. STO will also become a more people oriented organisation with a strong sense of corporate social responsibility.

### What do you think is the biggest challenge facing STO as a company and you personally?

STO's greatest challenge today is the difficulty in finding the foreign exchange required to import goods. With the global economic downturn there is a decrease in tourism and fisheries income to the country, thereby creating a shortage of foreign exchange with which to trade. As such, some drastic changes are being made to our procurement and trade financing arrangements. A stringent cash-flow management system to sustain the most crucial operations of the company is required as an immediate measure.

To address this issue in the longer term, STO is investing in projects that will contribute to foreign income for the company. As such, STO will invest in the tourism sector by developing two hotel projects in Male', and we will also expand our international trade which will earn foreign exchange for the company.

Personally it's a great challenge to meet the needs and expectations of the people. Being a nation of scattered islands in the middle of the Indian Ocean, the logistics of serving the people are difficult, especially given

the lack of a viable infrastructure. However, I believe with the current changes in the political environment and with a fresh initiative for nation-building, we can overcome a number of challenges in the near future.

### What kinds of management changes are needed to cope with evolving political and economic conditions?

With the recent change in government and with the changes in the political system, we are required to bring about a number of management changes to the organisation. The current government is highly in favour of privatising state-owned enterprises and, as such, STO is also required to change its ownership and management structure in line with this current policy. The current government is also in favour of private public partnerships (PPPs) in delivering public services, hence STO is changing some of its business policies so that the company will be able to take part in such projects, which will be both beneficial to the company as well as to the country as a whole. In view of these, STO is also actively seeking foreign and local partners who will work together on such projects.

### What do you hope to accomplish as the MD of STO?

As Managing Director, I would like to change the company to such an extent, that it will be diversified and would be able to absorb any external economic shocks. The company is currently highly dependent on external sources for its foreign currency requirements. I would like to see it be able to generate its own foreign exchange with business units earning sufficient foreign currency. I would also like to establish a highly effective management system and a state-of-the art information system within the company, so that all stakeholders will have up-to-date current information that will enable everyone to take informed business decisions on a timely basis.

### What is your message to would-be investors?

Maldives is one of the most sought after leisure travel destinations in the world and with a unique geography it is one of the most exotic places on earth to do business. STO Plc, being the largest business organisation in the country with a proven track record throughout its history, is an ideal partner for any foreign investor to do business with. We have an effective and an efficient team in STO who are passionate about the business. Hence we will ensure that investor's funds are well secured and will provide optimum return within the shortest time frame. **F**