

# Ensuring strategic supplies

By AHMED SHAHEER

MANAGING DIRECTOR, STATE TRADING ORGANISATION



AHMED SHAHEER holds a Bachelor's Degree in Business Administration from Charles Sturt University, New South Wales and a Master's Degree in International Trade from the University of Adelaide. He worked with STO for 20 years prior to being appointed Managing Director in March 2015. He also currently serves as the Chairman of the Board of Maldives National Oil Company Ltd (MNOC), STO Maldives (Singapore) Pte Ltd and STO Hotel & Resorts Pvt Ltd.

The STO started life as the Athireemaafannu Trading Agency (ATA), in the 1960s with the remit to strengthen national food security by purchasing and importing essential food items in bulk to be distributed throughout the Maldives via local traders and the organisation's own retail outlets. ATA sold its imports to the public at low mark-up and also purchased supplies for the government.

It was soon contributing to national development, and in 1979 ATA was renamed the State Trading Organisation (STO), undertaking all trading and commercial activity on behalf of the government. The nation was growing and so were its demands. STO expanded the range of its imports, first to an increasing number of commodity items, and then on to modern construction materials, home appliances and consumer goods.

By the early 1980s, as the Maldivian economy started to pick up speed, fuelled by increasing commercial activity, mainly in fisheries, agriculture, tourism and construction, STO began looking beyond its traditional role of importer, moving into new areas of activity to earn foreign exchange and broaden the nation's revenue sources.

Today, the STO group, with its subsidiaries, joint ventures and associates, is a key player in the Maldivian economy. It has significant and focused interests in petroleum, cooking gas, construction materials (including cement and roofing material), medical supplies and pharmaceuticals, home appliances, electronics, supermarket products and insurance. The company is now moving into the tourism sector. It also has several subsidiaries and partnerships that operate in other areas of trade and service. For example, Allied Insurance provides insurance services, while Maldives Gas supplies industrial gas and bottled LPG. STO's partnership with Lafarge established a local trading terminal for packed cement, while its subsidiary based in Singapore known as STO Maldives (Singapore) is its first venture in the region, and focuses on the commodity trade. All this has been achieved by direct procurement and distribution, as well as by forming joint ventures to effectively trade in areas which present it greater opportunities.

One of STO's major success stories has been to ensure a pharmacy on every inhabited island. STO focuses on building an efficient network for the supply of medical

equipment, consumables and pharmaceuticals to the entire population, thereby advancing the healthcare of this geographically scattered nation. Currently, 113 pharmacies are fully operational and online with the national health insurance network. STO's ultimate goal is to open a pharmacy on all the inhabited islands by the end of 2015.

In order to cater to the growing demands of the construction industry STO is presently developing the country's first batching plant in the capital city to produce ready-mix concrete. In addition, expanding oil storage and trade, and enhancing the warehousing and storage of staple foods is crucial to the company.

The 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, as 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 who are passionate about the business. Hence we will ensure that investors' funds are well secured and will provide optimum return within the shortest time frame.

STO is continuously upgrading and expanding its nation-wide logistics and storage facilities to strengthen distribution and supply chain management, and has plans to further develop its own fuel transportation facilities to minimise reliance on chartered vessels. In the next five years, STO will focus on further developing the aforementioned areas and will continue delivering its service to the public.

Similarly, with the implementation of UN Global Compact, we have officially declared our commitment to support, respect and protect human rights, labour and environment. We also stand against corruption, thus creating enduring trust for our customers. STO works with numerous NGOs, aiding community activities through donations and sponsorship, regularly organising awareness programmes.

Building up on the background of solid commercial success, STO has streamlined its operations to where profit and viability matter as much as the need to ensure broad access to basic essentials at affordable prices. STO has become the dynamic organisation demanded by a prosperous, rapidly developing country. With a diversity of businesses, STO is testament to the Maldives' economic potential. **F**