

Rancon Motors launches service campaign for Mercedes-Benz

STAR BUSINESS REPORT

Rancon Motors Ltd, the general distributor of DaimlerChrysler for Mercedes-Benz Passenger vehicle in Bangladesh, yesterday launched a six-day service campaign for Mercedes-Benz vehicles.

Under this campaign, owners of the vehicles will get free servicing until October 13 under the guidance of a German technical expert.

Michael Helffrinch, the service expert from DaimlerChrysler, Germany is now in Bangladesh to join the campaign.

Mustafa Rafiqul Islam, managing director of Flora Telecom, formally inaugurated the programme while Managing Director of Rancon Motors Ltd Romo Rouf Chowdhury, among others, was present at the function at Rancon's office in Tejgaon industrial area.

Rouf Chowdhury said customers of Mercedes-Benz will get the best possible after-sale services from Rancon Motors.

Earlier, Rancon Motors held five service campaigns in Dhaka and three in Chittagong.

Canadian data boost case for more rate hikes

REUTERS, Toronto

Canadian companies expect a pickup in inflation, a Bank of Canada survey released Friday showed, boosting the case for more interest rate increases this year.

Analysts said the argument for rate hikes was also helped by underlying employment figures for September, even though soft headline jobs numbers seemed to cast doubt.

US to push for open trade at G20 meet

AFP, Washington

The United States will push for trade liberalisation and highlight problems caused by sky-high energy prices when the Group of 20 developing and rich nations meet in China, an official said Friday.

The October 15-16 meeting is mainly focussed on development issues and reform of the International Monetary Fund and World Bank, "though I suspect the top issue will be energy", US Treasury Undersecretary Tim Adams said.

"You have both producers and consumers sitting around the same table," said the deputy to US Treasury Secretary John Snow, who leaves this weekend on a 10-day tour that takes in Japan as well as China.

The G20 meeting comes with high

oil prices straining economies in both the developed and developing worlds. It also comes as the World Trade Organisation prepares for a crucial ministerial gathering in Hong Kong in December.

"Hopefully I expect we'll reaffirm the importance of having a successful Doha (WTO) round and the importance of ever-increasing trade to global growth," Adams said ahead of the G20.

Created in 1999, the forum gathers the finance ministers and central bank governors of larger developing countries and advanced economies for discussions aimed at improving the international financial and monetary system.

Though the G20 is dismissed by some as a talking shop, Adams said he was a "big supporter" of the

organisation.

"I think it's important that we take this body seriously," he said, highlighting the need for collective action on issues such as high energy prices and global economic imbalances.

"These are issues that we confront globally, and we should use every forum available to us to discuss them," Adams said.

The G20 groups Argentina, Australia, Brazil, Britain, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United States and the European Union.

The heads of the IMF, World Bank and European Central Bank are also due to attend the talks at Xianghe, some 50 kilometres (30 miles) east of the Chinese capital.

StanChart opens cash booth at IDB Bhaban

Standard Chartered Bank (SCB) has opened a new specialised UN cash booth at IDB Bhaban in Dhaka, marking the successful conversion of American Express Bank Ltd's license to that of SCB following the latter's recent purchase of AEBL's domestic business and branches in Bangladesh.

Jorgen Lissner, UN resident co-ordinator and UNDP resident representative in Bangladesh, inaugurated the cash booth, which is for exclusive use by UN agencies, their staff and a few selected corporate clients in Bangladesh, says a press release.

Osman Morad, chief executive officer, Selim RF Hussain, chief financial officer of SCB, Carlyse Hessian and Margaret Ann Goon, deputy resident representatives of UNDP, among others, were present at the inaugural function.

Two Toyota trading houses to merge

AFP, Tokyo

Japanese trading houses Toyota Tsusho Corp. and Tomen Corp., both arms of auto giant Toyota Motor, plan to merge in April next year, creating the nation's sixth-largest trading firm, a newspaper said Saturday.

The new company with combined sales of 4.9 trillion yen (43 billion dollars) is expected to take on a key role in Toyota Motor's global business strategy, the Nihon Keizai Shimbun reported.



PHOTO: BENCHMARK

Jorgen Lissner, UN resident co-ordinator and UNDP resident representative in Bangladesh, inaugurates a cash booth of Standard Chartered Bank (SCB) at IDB Bhaban in Dhaka. Osman Morad, chief executive officer, Selim RF Hussain, chief financial officer of SCB, Carlyse Hessian and Margaret Ann Goon, deputy resident representatives of UNDP, among others, were present at the inaugural function.

US poverty chronically ill, little hope for cure

REUTERS, Washington

Four decades after a US president declared war on poverty, more than 37 million people in the world's richest country are officially classified as poor and their number has been on the rise for years.

Last year, according to government statistics, 1.1 million Americans fell below the poverty line. That equals the entire population of a major city like Dallas or Prague.

Since 2000, the ranks of the poor have increased year by year by almost 5.5 million in total. Even optimists see little prospect that the number will shrink soon despite a renewed

debate on poverty prompted by searing television images which laid bare a fact of American life rarely exposed to global view.

The president who made the war declaration was Lyndon Johnson. "Unfortunately, many Americans live on the outskirts of hope, some because of their poverty, and some because of their colour, and all too many because of both. This administration declares unconditional war on poverty in America."

That was in 1964. Then 19 percent of the US population lived below the official poverty line. That rate declined over the next four years and in 1968, it stood at 12.8 percent.

Since then, it has fluctuated little.

Last year, it was at 12.7 percent, proof that poverty is a chronic problem.

The state of poverty in the United States is measured once a year by the Census Bureau, whose statistics-packed 70-plus page report usually provides fodder for academic studies but rarely sparks wide public debate, touches emotional buttons, or features on television. Not so in 2005.

The report coincided with Katrina, a devastating hurricane which killed more than 1,100 in Louisiana and Mississippi. Live television coverage with shocking images of the desperate and the dead in New Orleans showed in brutal close-up what the spreadsheets of the census bureau cannot convey.

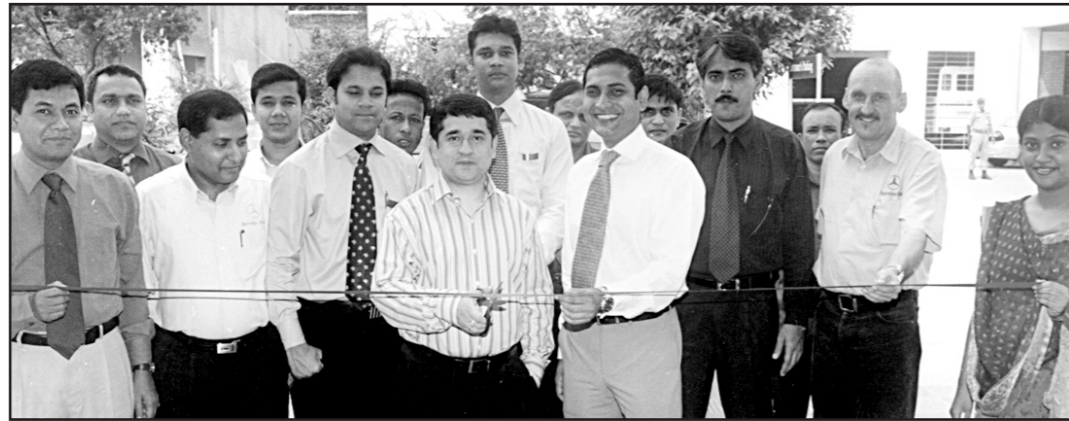


PHOTO: STAR

Mustafa Rafiqul Islam, managing director of Flora Telecom, inaugurates a service campaign for Mercedes-Benz passenger vehicle in Dhaka yesterday. Romo Rouf Chowdhury, MD of Rancon Motors Ltd, general distributor of the vehicle in Bangladesh, and Michael Helffrinch, a service expert from Germany, among others, are seen.

ROK economic zones not so free yet

ANN, The Korea Herald

Korea's successful evolution into a truly international nation hinges on the outcome of the country's free economic zones that are not quite on a par with its rivals said an ambassador-turned-advisor.

"A free economic zone is supposed to create an environment that is specifically designed to attract foreign investment," says Thomas Hubbard, former U.S. ambassador to Korea between 2000 and 2004.

"Singapore is a free economic zone. It is the freest place. So why not Korea? Why can't it be like Singapore?" asks the chairman of the advisory board for New Songdo City.

Famous as the city being built from scratch at Incheon, one of the country's trio of free economic zones, New Songdo City aspires to be a new Asian mecca of financial and logistics services.

As the stakes rise, so increases the possibility of the dream being accomplished, Hubbard says, especially now that the right infrastructure is being put in place.

That includes a new bridge that, once completed by 2009, will cut traveling time between Songdo and Incheon International Airport to under 20 minutes.

Should everything go according to

schedule, the \$20 billion (US\$1=Won1,037.5) city will become the biggest piece of foreign investment in the history of Korean real estate.

But for the city and the free economic zones to be a success, the government must create the right kind of competitive regulatory environment that foreign investors can trust, says Hubbard on Friday.

"A regulatory environment that is like Pudong and Singapore," he added.

Pudong is the new industrial center of China that housed more than \$2 billion of foreign capital during the first eight months of this year.

This compares with the \$8 billion of capital that Korea earned up to September this year, almost a 9 percent discrepancy.

Heavy regulation and lingering public hostility are cited as key factors to lure foreign investors to Pudong and not Korea.

All too often, foreign investors operating here feel as if they are being subjected to an inconsistent regulatory system.

"For foreign investors, it seems like new conditions are applied after their success. This chills foreign investment and the perception that foreign companies are put to extra (regulation) is not healthy one," he said.