

## BMW launches legal action against 'China Copycat'

AFP, Frankfurt

The German automaker BMW said Friday it had begun legal action against China Automobile Deutschland, which plans to exhibit a model at the Frankfurt auto show that BMW says is a copy of one of its cars.

"We have begun legal proceedings" against China Automobile, a BMW spokesman told AFP, partly confirming a report in the German magazine Automobilwoche.

The weekly said that BMW had filed a formal complaint, but the spokesman declined to provide further details on the affair.

The German group believes that the CEO model produced by the Chinese group Shuanghuan, which is to be presented at the International Motor Show (IAA) in Frankfurt next week by China Automobile is a copy of the BMW X5 all terrain model which is no longer in production.

Another German automaker, DaimlerChrysler, has also accused Shuanghuan of copying Daimler's small city car Smart with the Nobel model that is also to be presented at the IAA fair, one of the biggest in the world.

"We continue to observe the situation and reserve the possibility of resorting to judicial proceedings if this car is presented at the show," a Daimler spokesman told AFP.

China Automobile did not appear worried by the comments however.

Its boss, Karl Schloss, told Automobilwoche he intended to show the CEO at the Frankfurt fair, which is open to the public from September 13-23.

"The car does not resemble any BMW model," he insisted.

## Car sales in Vietnam surge 80pc

AFP, Hanoi

Automobile sales in Vietnam have risen 80 percent in the first eight months of 2007 with a 156-per cent surge in passenger cars leading the rise, the country's automobile association said Saturday.

Between January and the end of August, 16 of the 18 members of the Vietnam Automobile Manufacturers' Association (VAMA) reported selling 41,557 vehicles against 23,066 in the same period last year.

Topping the list were sales of passenger cars, which rose by 156 percent to 9,320 vehicles as a growing middle class, profiting from Vietnam's annual economic growth of over 8 percent, are switching from mopeds to cars.

Japan's Honda company, which sold 2,296 Vietnam-assembled cars, enjoyed the greatest rise, with sales up 8,404 percent on the same period last year, when it sold only 27 units.

Vidamco, a joint venture of a Vietnamese company and South Korean firm GM Daewoo, followed with a 288 percent increase in sales.

VAMA also said that in August, car sales were up 73 percent year-on-year at 6,559 units against the same month last year.

## Renault-Nissan to open new business centre in India

AFP, Tokyo

French automaker Renault and its Japanese partner Nissan Motor announced plans Thursday to open a new business centre in Chennai, India next year that will employ more than 1,500 workers by 2010.

The centre, which will be a 50-50 joint venture between the two partners, will support the two automakers' global engineering, purchasing, design, cost management and information systems operations.

Renault, Nissan and Mahindra Mahindra are also building a 902-million-dollar factory together in the southern Indian city of Chennai, earlier known as Madras.

Nissan and Renault are also considering launching a low-cost 3,000-dollar car in India, one of the world's fastest growing automobile markets.

Nissan has decided to join a project between Renault and Indian motorcycle manufacturer Bajaj Auto Ltd. to develop and produce an ultra-affordable car, the Nikkei business daily reported Thursday without naming its sources.

Carlos Ghosn, who heads both Nissan and Renault, has previously said that Mahindra would be the "natural" partner if the company decided to produce a 3,000-dollar car there.

## Lamy seeks political spasm for WTO talks

AFP, Geneva

World Trade Organisation chief Pascal Lamy on Saturday called for a "political spasm" soon to drive the deadlocked Doha round of global trade talks past its final set of hurdles.

"My take is that we are entering the last laps," Lamy said as negotiators completed a first week of intensified negotiations on fresh compromise proposals to cut barriers in two key areas, agriculture and industrial goods.

Lamy told a conference on international security issues that the compromise text "still reflects the gap" between the WTO's 151 members.

"There are not wide differences to be narrowed but there remain some differences -- much less than there was last year or two years ago," he explained.

Chief negotiators have sched-

uled three weeks of intense talks at WTO headquarters in Geneva to narrow the divide and agree on the outline of cuts in farm subsidies, and import tariffs on farm and industrial goods, before the end of the year.

"This will not take place without a political spasm which has to take place quite soon," Lamy underlined.

The WTO Director General has repeatedly called for greater political input from world leaders to bridge the gap between rich and poor countries that has dogged the talks since they were launched in the Qatari capital in 2001.

Lamy said on the sidelines of an Asia Pacific Economic Cooperation (Apec) this week that he was looking for "convergence on basic principles" by November.

In his speech to the International Institute of Strategic Studies conference in Geneva, Lamy

argued that free and fair trade -- and its broadening under Doha Round -- was an essential component for global security.

"The conclusion of the Doha Development Round has strategic importance," Lamy said, underlining that it would reinforce the globalisation's acceptability.

"A failure in the Doha Round will maybe lead to resentment, frustration, in particular from developing countries who have heavily invested in negotiations and want to rebalance the system in their favour," he cautioned.

The Doha Round was primarily aimed helping developing nations to take advantage of expanding global trade, particularly by cutting farm subsidies that support the prices of rich country produce on world markets, and by easing access to agricultural markets in Europe and North America.

## Trade unions lagging behind globalisation: ITUC official

ANN/ THE STATESMAN

Guy Ryder, general secretary, International Trade Union Confederation, on Friday acknowledged that trade unions had not moved fast enough to keep pace with globalisation, which was driven by business. This also explained why the IT and related sectors had been left out of the

purview of trade union activities.

Ryder, who was briefing newsmen immediately after the formation of the new trade union body, ITUC - AP in association with Asia Pacific Regional Organisation, said the trade union activists were not against the redistribution of labour. This, he said, was perfectly normal.

The unions, however, wanted

to manage the process of change in the IT, financial and related sectors, which were witnessing this new phenomenon, to help the workers.

Similarly, he said trade unions had not penetrated the IT and financial sectors. This was posing a major challenge to them, more so as the workers in these areas did not have collective representation.

Accordingly, he reiterated that no sector whether IT, garment or financial should be beyond the trade unions' fold.

Likewise, he admitted that trade unions had failed in moving fast enough to ensure the welfare of the workers when jobs shifted from the developed countries to the developing ones including those in China.

## Pepsi to offer new low-calorie Gatorade

AP, New York

Pepsi is offering a new low-calorie version of Gatorade in an effort to keep customers who have strayed from the sports drink in search of lower calorie drinks.

PepsiCo Inc., which announced plans for the low-cal G2 version of Gatorade on Friday, and its bigger rival The Coca-Cola Co. are aggressively competing for sales of non-carbonated beverages as health-conscious consumers shy away from carbonated soft drinks.

PepsiCo, the nation's second biggest soft drink company, said in July that its sales of carbonated soft drinks fell 4 percent in the second quarter while non-carbonated drinks grew 3 percent.

Last year, non-carbonated beverages accounted for 69 percent of PepsiCo Beverages North America's \$9.57 billion in 2006 revenue, more than double that from soft drinks that made up 31 percent of the unit's total. Gatorade has been a key growth driver but sales have slowed recently.

"G2 should help limit the downside risk to a Gatorade slowdown," Morgan Stanley analyst Bill Pecorello told investors in a research report.

Gatorade sales slowed in the second quarter after a 2 percent to 3 percent price hike in March and in comparison to sales that had grown 29 percent a year earlier.

G2, PepsiCo said, will have 25 calories per eight-ounce serving and is the first new Gatorade product since the original drink was introduced in 1967. The original lemon-lime Gatorade has 50 calories per eight-ounce serving.

Purchase, N.Y.-based PepsiCo said it will distribute G2 starting in December to convenience stores, gas stations and retail outlets. The new Gatorade will come in three flavors: fruit punch, grape and orange.

PepsiCo also announced on Friday that it would introduce a bottled water with caffeine and vitamins called Propel Invigorating Water; reformulate its SoBe Life Water with sucrose, antioxidants, vitamins and fewer calories; and use a new sweetener blend with fewer calories for its Aquafina Alive water.

## Hyundai boss escapes jail over huge slush fund

AFP, Seoul

The head of the world's sixth largest automaker on Thursday escaped a jail sentence for creating a multi-million dollar slush fund, after an appeal court ruled that his imprisonment would badly damage South Korea's economy.

The Seoul High Court quashed a three-year prison sentence on Hyundai Automotive Group Chairman Chung Mong-Koo and replaced it with a suspended sentence.

It ordered him to undertake community service -- including delivering speeches and writing articles on the need for ethics in business -- and to make good on his pledge to donate one billion dollars to charity.

"The court has been agonising over whether to put the accused in jail or keep him out of prison," said chief judge Lee Jae-Hong.

"But in consideration of the huge economic impact that could result from imprisonment, it decided to suspend the sentence."

Chung, 69, had been sentenced to jail in February for breach of trust and embezzling 90 billion won (97 million dollars) in company funds through fraudulent accounting. He had been on bail pending appeal.

Auto business leaders and Hyundai hailed the decision but activists campaigning to clean up the country's corporate culture expressed dismay.

The group, which includes affiliate Kia Motors, controls 70 percent of the country's auto market and accounts for 5.4 percent of gross domestic product.

Prosecutors accused the Chung family of raising the slush fund to bribe government officials, politicians and bankers in return for business favours. They had urged the appeal court to double the original jail term.

## India dominates Forbes list of Asia's top firms

AFP, Singapore

India has the largest number of profitable companies with revenues or market capitalisation above 5.0 billion US dollars in the Asia Pacific region, Forbes business magazine said Thursday.

The US business publication said 12 Indian companies, including the country's biggest mobile phone service provider Bharti Airtel and ICI bank, were in this year's list of the top regional 50 firms.

It was the largest representation by any country. Taiwan followed in second place with 10 homegrown firms on the list.

China placed third with seven

businesses including China Mobile and Lenovo Group, said Forbes.

"With a relatively young population of 1.1 billion, India has its own huge market," the US magazine said.

"Companies such as ICICI Bank, HDFC Bank and Bharti Airtel are growing fast by reaching out to the country's rural customers, not to Western markets."

Other companies on the list include some of Asia's most well-known brands such as Hong Kong carrier Cathay Pacific Airways, Taiwan's computer giant Acer and video game console maker Nintendo of Japan.

## Japan plans fiscal reforms

AFP, Tokyo

Japan's economic recovery remains intact despite recent turmoil on global markets, but urgent efforts are needed to tackle the nation's swelling public debt, the new finance minister said Friday.

"The Japanese economy will be able to keep on its economic recovery path, supported by private sector demand," said Fukushima Nukaga, a former defence agency chief who was given the finance post in a cabinet reshuffle last month.

Firms are spending more on new plant and equipment and household consumption has been picking up, supported by rising employment, he said.

"We see that the world economy's fundamentals are still favourable although we need to remain

vigilant over the risk factors as well," he told reporters.

He said that with the population rapidly ageing, it was vital for Japan to tackle its huge national debt, which is the highest among industrialised nations after the government spent trillions of yen on emergency spending packages to try to haul the economy out of its deflation doldrums in the 1990s.

"Japan has quite a massive amount of debt outstanding. We really need to embark upon the fiscal consolidation efforts right away," he said.

But he declined to comment on a potential timetable for a sale tax hike that many economists say is inevitable but which is unlikely to prove a vote winner for the embattled government.



Md Nurul Amin, managing director of NCC Bank Ltd, and Mahmood Malik, managing director of Industrial & Infrastructure Development Finance Company Ltd, exchange documents after signing a credit facility agreement recently. Senior officials from both the sides were also present.

## GLOBAL COMMODITY PRICES

### Oil price surges, gold sparkles

AFP, London

The New York oil price soared this week close to a record high on weak US energy stocks, while gold struck the highest level since May 2006.

But many commodities were hit after an unexpectedly weak jobs report in the United States on Friday sent American and European stock markets sliding on concerns about the world's biggest economy, analysts said.

Gold hit its highest level since May 2006, lifted by factors including solid demand, geopolitical and economic jitters, and a weak US currency which makes dollar-denominated goods cheaper for buyers holding stronger currencies.

**OIL:** New York crude hit 77.43 dollars a barrel on Thursday, close to its record high of 78.77 dollars struck on August 1.

Crude futures had spiked Thursday as news of weaker US energy reserves heightened supply concerns, before dipping Friday on profit-taking.

"Oil prices eased off a little ... with investors pocketing profits after a strong rally this week," Sudden analyst Andrey Kryuchenkov said. "The market is looking firm and could test its record highs," he added.

**PRECIOUS METALS:** Precious metals leapt higher, led by star performer gold.

Gold prices touched 706.80 dollars per ounce, which was last seen on May 17, 2006, as the metal was also lifted by rebounding demand and ongoing concern about world financial markets.

Gold was also energised by higher crude prices, which increase the risk of inflation. The higher cost of goods and services raise the attractiveness of the precious metal as a defence against the erosion of the value of money.

On the London Bullion Market, gold soared to 701 dollars an ounce at Friday's late fixing, from 672 dollars a week earlier.

Silver jumped to 12.57 dollars an ounce at Friday's late fixing, from 11.95 dollars a week earlier.

**BASE METALS:** Base metals prices plummeted in line with global

stock markets, as investors took flight on fears of lower global demand.

"Base metals ... have no independent direction of their own as equity markets are tracked," said UBS analyst Robin Bahr.

On Friday, the price of copper for delivery in three months tumbled to 7,204 dollars a tonne on the London Metal Exchange, from 7,530 dollars a week earlier.

**COFFEE:** Coffee prices advanced in London and New York as speculators ploughed back into the market.

**SUGAR:** Sugar prices were depressed by expectations of a supply surplus alongside high stockpiles in key producer India.

## Opec to consider output hike

AFP, Dubai

The Organisation of Petroleum Exporting Countries will examine whether it needs to "slightly" hike output when it meets in Vienna next week, Iraqi Oil Minister Hussein Shahrhastani said on Saturday.

The oil cartel, which convenes on Tuesday, "will be discussing if there is a need to increase its production slightly to meet the increased demand," Shahrhastani told reporters in the United Arab Emirates.

Shahrhastani, speaking on the sidelines of an "Iraq Petroleum 2007" conference, said that while oil supplies are currently sufficient, "there is a capacity in Opec to increase its supply to the market as is needed."

Despite recent price spikes, most analysts do not expect Opec to raise its production quotas during the meeting in Vienna.

"The price will always be determined by the supply and demand formula. Currently it is on the upper side," Shahrhastani said, adding that he would head to Austria after the three-day conference in Dubai.

Global sugar production was forecast to outpace demand by 10.8 million tonnes in the crop year ending September 2008, the International Sugar Organization (ISO) has said.

India remains on course to overtake Brazil as the world's biggest sugar producer, according to the ISO.

By Friday on the LIFFE, the price per tonne of white sugar for October delivery nudged down to 275.40 pounds, from 277.40 pounds a week earlier.

On the NYBOT, the price of unrefined sugar for October delivery dipped to 9.43 US cents a pound, from 9.50 cents a week earlier.

**GRAINS AND SOYA:** Wheat hit an all-time closing high of 8.355 dollars a bushel on both Tuesday and Wednesday.

In recent weeks, wheat has struck fresh highs on fears that crops from key exporters Australia and Argentina have been badly affected by drought.

"Every day brings a new record, and we don't really know where this is going to stop," said one trader.

"The European market is following the rise in the US market, which in its turn is following the European market. It's endless."

Another trader added that supply fears "will persist for as long as it fails to rain in Australia and Argentina."

By Friday on the Chicago Board of Trade, the price of maize for December delivery rose to 3.44 dollars a bushel, from 3.40 dollars a week earlier.

Wheat for December delivery rocketed to 8.22 dollars a bushel, from 7.75 dollars the previous week.

November-dated soyabean meal -- used in animal feed -- advanced to 8.98 dollars, from 8.82 dollars.

On the LIFFE, the price per tonne of wheat for May delivery eased to 176.50 pounds, from 180.00 pounds a week earlier.

**RUBBER:** The price of rubber rose for a fifth week in a row owing to heavy rain in key producers Malaysia and Thailand.



South Asia Insurance Company Ltd and Credit Rating Agency of Bangladesh (CRAB) Ltd have recently entered into an agreement under which CRAB will rate the insurance company. Managing Director of the insurance company Md Monjurul Haq and Manager of CRAB HS Sohrwardi signed the deal, while Chairman of South Asia Insurance Ghulam Akbar Chowdhury and CRAB Vice Chairman Md Matul Islam, among others, were present.



M Halimuzzaman, executive director of Healthcare Pharmaceuticals Ltd, and Hong, managing director of DASAN Medichem Company Ltd of Vietnam, sign an agreement recently under which the local company has started exporting medicine to the Southeast Asian country.

## Malaysia to keep interest, fuel prices unchanged

AFP, Kuala Lumpur

Malaysia on Saturday said interest rates and fuel prices will remain at current levels as the country targets robust growth of 6.5 percent next year.

Nor Mohamed Yacop, second finance minister, told reporters that Malaysia needed a buoyant domestic economy to stave off global uncertainties arising from the US subprime mortgage sector.

"Our earlier prediction was 6.5 percent growth for 2008. Due to the global uncertainties, we now forecast growth between six percent to

6.5 percent," he said. "We think we will grow at six percent if not 6.5 percent."

The government cut corporate tax rates and property stamp duty in the 2008 budget unveiled Friday. Nor Mohamad said that the key interest rate at 3.50 percent was "suitable for growth."

"The rate will continue to be accommodative. It will not restrain growth," he said, when asked if the government will continue to maintain interest rates at current levels to bolster domestic driven growth.

Nor Mohamad also said that the government's fuel subsidy

programme will cost the government some 25 billion ringgit (seven billion dollars) next year.

Asked if the government had plans to raise fuel prices, he said: "At this point of time, there is no intention to increase fuel prices next year."

"The subsidy is an important issue. We provide it because we want to take care of the poor," he added.

Malaysia imposed its highest-ever fuel price rises in February last year, citing rising oil prices, and pledged to use the cost savings to boost the country's mediocre transport system.



Mamun Manzurul Hye, manager (Administration and Accounting) of Expeditors (Bangladesh) Ltd, and Rahat Khan, manager (Direct Sales) of Grameenphone Ltd, pose for photographs at a corporate agreement signing ceremony recently. As per the deal, the logistics company will get complete telecommunication facilities under the mobile phone operator's 'Business Solutions' package. Senior officials from both the sides are also seen.