

International Business News

Microsoft, Yahoo in takeover talks

AFP, San Francisco

Microsoft and Yahoo began takeover talks Friday with the US software giant open to raising its 44.6-billion-dollar bid for the struggling Internet pioneer, a source close to the situation told AFP.

Yahoo and its unsolicited suitor are privately discussing the buyout bid after months of negotiating indirectly with public comments, emails and online postings, the source said.

"They are talking -- there are no guarantees," the source told AFP.

"Microsoft signaled it might raise the price and the question is how far. It could still fall apart."

Microsoft has indicated it might raise its ante from 31 to 33 dollars per share and the Yahoo board has signaled it might accept an offer of 37 dollars per share, according to Canaccord Adams analyst Colin Gillis.

"They are close enough now that to sit down and talk about it makes sense," Gillis said of Microsoft and Yahoo.

The negotiations appeared to break tension that has built since Yahoo rejected the offer Microsoft put on the table on February 1 and ignored an April 26 deadline the software maker gave the California firm to accept.

"It's what they should have done from day one," Silicon Valley analyst Rob Enderle told AFP.

US, European central banks step up credit crisis battle

AFP, Washington

The US Federal Reserve and key European central banks on Friday announced a fresh offensive against a global credit crisis that has gridlocked lending and slowed the world economy.

"In view of the persistent liquidity pressures in some term funding markets, the European Central Bank, the Federal Reserve, and the Swiss National Bank are announcing an expansion of their liquidity measures," the central banks said in separate statements.

The Fed and leading European banks have worked in concert several times, pouring billions of dollars into the financial system since the credit crisis erupted in August amid rising defaults on US subprime, or high-risk, mortgages.

The worst US housing slump in decades and tightening credit as mortgage-backed securities plunged in value have had a domino effect on financial markets. Embattled banks have written down billions of dollars in assets and made them reluctant to risk lending.

No US economic recovery this year: IMF chief

AFP, Washington

International Monetary Fund chief Dominique Strauss-Kahn said Friday that he does not see the US economy recovering from its current doldrums this year.

Describing a US government labor report Friday that showed fewer than expected job losses as a "flash in the pan," the IMF managing director said "the medium-term trend remains what has been forecast and the US economy would not be on the road to recovery before the end of the year."

The IMF has forecast a "mild recession" in the United States, with annual growth a paltry 0.5 percent.

Strauss-Kahn, speaking to reporters after meeting with French Prime Minister Francois Fillon at IMF headquarters, cautioned that "one must wait to see the next US data."

The US Labor Department reported US employers cut 20,000 nonfarm jobs in April, far fewer than private economists' forecasts of 75,000.

The jobless rate fell a tenth of a percentage point to 5.0 percent, the department said, instead of the expected rise to 5.2 percent.



A Filipino father feeds his child with steamed rice yesterday. The Philippine government is struggling to provide cheap rice to the poor in the face of the rising price of the staple. The country expressed concern over moves to create a rice-exporting cartel composed of Thailand, Myanmar, Vietnam, Laos and Cambodia, saying that the Philippines would be adversely affected by such a cartel.

Tata eyes stake in Indonesia's Krakatau Steel

AFP, Jakarta

India's Tata Steel could bid for a stake in Indonesia's largest steel maker PT Krakatau Steel, according to a report here Saturday.

"Tata (Steel) has also expressed their interest in finding out more details in the Krakatau Steel privatisation," the industry ministry's director general for metal, Ansari Bukhari, told state-run news agency Antara.

He said a representative of Tata Steel would meet Industry Minister Fahmi Idris early next week.

Tata Steel is the world's sixth largest steel company with an existing annual crude steel capacity of 28 million tonnes, the company says on its website.

Bukhari's office confirmed Idris will receive a representative of Australian firm Bluescope Steel Ltd. next week.

Bluescope and ArcelorMittal, the world's largest steel maker, have also reportedly expressed an interest in Krakatau's privatisation.

EMPLOYMENT

With modest job losses, US defies doomsayers



(Left) Immigrants rights activists and supporters make their way down Jackson Street during a May Day march on May 1, 2008 in Seattle, Washington. (Right) A file photo shows a jobseeker searching for employment opportunities in Arlington Heights, Illinois.

AFP, Washington

The US labour market held up better than expected in April, with 20,000 jobs cut in the month, according to data Friday that analysts said signaled a mild economic downturn but not a calamity.

The unemployment rate, based on a separate survey, rate fell a tenth of a percentage point to 5.0 percent, the Labor Department said.

The report was better than expected by private economists, who on average had forecast a loss of 75,000 jobs and a jobless rate of 5.2 percent.

"Job losses are way below the recession norm for this point of the business cycle, if this is recession," said Robert Brusca at FAO Economics.

"Many things do not really add up for the recession forecasters."

The payrolls report, seen as one of the best indicators of economic momentum, comes amid fears that the world's largest economy may be headed for recession after being battered by a horrific decline in housing and a related credit squeeze. Yet the first-quarter report on US gross domestic product showed a small increase of 0.6 percent.

Avery Shenfeld at CIBC World Markets said the data still points to economic turmoil, with job declines in key areas such as manufacturing, construction and retailing.

"The report was milder than we thought but some of the details were not quite as

encouraging," he said.

"If you isolate the cyclical industries, employment is dropping quite quickly. It's still not a sign the labour market is healthy."

The report showed the economy still hurting from the housing crisis. Construction shed 61,000 jobs and manufacturing lost 46,000.

That was offset in part by a gain of 37,000 in healthcare, and 27,000 in professional and technical services. The retail sector however lost 27,000 jobs.

Shenfeld said that the sector details show problems: "When you are trying to take the temperature of the economy and where it stands in the business cycle, you look at the cyclical industries like manufacturing, construction and retail."

President George W. Bush said the report was disappointing but expressed confidence in an economic recovery.

"That's not good enough for America. It's positive growth, but we can do better than that," he said of the report during a visit to St. Louis, Missouri.

Bush said the stimulus package anchored on tax rebates will help mitigate economic weakness.

"The good news is, we anticipated this. You know, last fall we started to get indications that the economy was going to, you know, slow down," he said.

Stephen Gallagher, economist at Societe Generale in New York, argued that the report suggests a decline for

the overall economy but not a meltdown.

"Overall, the modest pull-back supports a mild recession or downturn for the US economy," he said. "That is not good news, but the evidence lessens the fears of a deep or prolonged downturn."

On Wednesday, the Federal Reserve cut its base lending rate by a quarter-point to 2.0 percent in a move seen as further insurance against a deep downturn after a series of aggressive rate cuts since September.

Many analysts say the Fed is likely to pause in its rate-cutting cycle to assess the impact of its earlier actions as well as the 168-billion-dollar economic stimulus package.

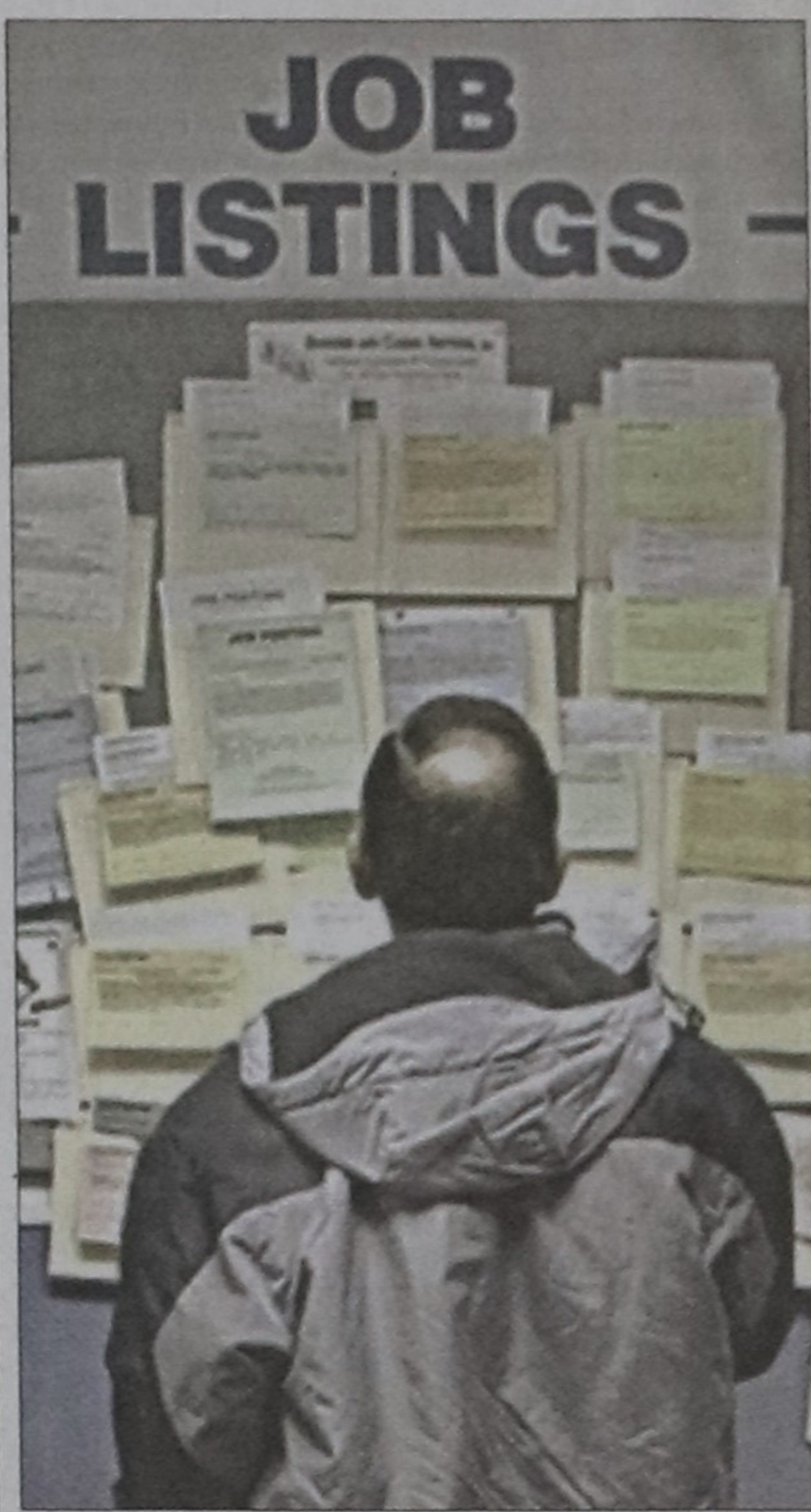
Peter Kretzmer, senior economist at Bank of America, said

Friday's employment report "will encourage the Fed to pause in its rate cycle, allowing the aggressive easing to date to impact the economy."

Paul Ferley, economist at RBC Capital Markets, said the Fed is still cautious about a soft economy and tight credit conditions.

"Although today's report did not show as great a drop in employment as feared, it is still indicative of labour markets shedding workers during the first four months of the year," he said.

To help sustain growth beyond this and through 2009, we are assuming that the Fed will lower Fed funds by a further 50 basis points, sending this rate to a near-term trough of 1.50 percent later this year."



COLUMN

SARWAR AHMED

The meme of learning and development

I know, I know. You must be wondering what is meme (pronounced 'meem'). The ubiquitous internet Wikipedia explains that a meme is any unit of cultural information, such as a practice or idea, that gets transmitted verbally or by repeated action from one mind to another.

Memes are the basic building blocks of our minds, culture and belief systems, in the same way that genes are the basic building blocks of biological life. Richard Dawkins, in his book, *The Selfish Gene*, coined the word meme to explain the spread of ideas and cultural phenomena.

What does this mean to you and your organisation? Like our personal belief systems or memes, for instance the way we view religion, marriage, food, social mores, organisations too have 'belief systems' or memes, like sales, customer orientation, bureaucracy, environment, adaptation of technology, level of understanding regarding use of management, leadership concepts and skills. These belief systems or memes find

expression depending on the organisation's environment, and are limited to the 'belief space' available to accommodate the pre-dominant ones.

Like us humans, organisations are limited in the way it 'thinks'. Organisations do not have an infinite capacity to absorb 'belief systems' and live them. So where does the meme of learning and development figure in your organisation's belief system container?

I was fortunate enough to have met up in a seminar with the professionals of Bangladesh Society for Human Resource Management. We discussed the meme of learning and development in organisations. It was quite obvious that the huge list of benefits of learning and development was immense: developing and upgrading skills in a continuously changing world, creating a performance culture, bringing in efficiency and productivity, to name a few.

The scare however was that having invested in people,



Umme Kulsum shares her team's meme list during the seminar.

they leave, seeking better opportunities. The risk is of course there. I recall a colleague who left us within a month after attending a self-management workshop which I personally conducted! He was a bright young man whom we were grooming for senior management. Much as I was perplexed, I appreciated his vision and reason for leaving us.

He told me that the workshop helped him clarify his life's purpose and gave him guidance of what to do in

future. He wanted to continue with higher studies, which he went on to do in Singapore, and is quite a success story in his international work place. He is far more satisfied having completed his higher studies and in achieving life goals.

However, as a seminar participant pointed out, people usually leave not for the money but for the boss. If we seek to create an environment where people want to stay, it starts with a caring leader. The leader will set the organisation's

tone and has to take a keen interest in developing associates. Investment in learning enriches the person and the organisation. It creates a virtuous cycle where all benefit from this investment.

We did a quick 'health check' on how the participants thought of the learning and development meme in their organisations. On a scale of low to high (1 to 5), the average turned out to be 3.5. This is encouraging that there is a general appreciation in organisations of its importance. During the seminar, we looked at how to raise the visibility, to put the meme into the belief space so that learning and development becomes an ingrained culture. What I appreciate was the actions that came out was not building castles in the air, but simple starting points like we will first discuss this in the HR department before we go elsewhere!

Personally, learning and development has been my forte since I began my career. I have found that learning and development is still our biggest competitive advantage.

There is a clear cut differentiation between us and our competitors and that is because of the deep appreciation and practice of the learning and development meme in our organisation. Colleagues who have ventured beyond our organisation still reminisce about the training programmes they had gone through in the initial years of their career with us. All too often they say, it is because of this they are a success. They wistfully recall of just how much our training and development culture gave them personal satisfaction and fulfillment.

And of course, as a trainer, coach, mentor, the biggest satisfaction is seeing not only the success of business, but the success of people as they cocoon out to become confident, entrepreneurial business leaders. My learning has been, the more you give, the more you get!

The writer is managing director of Syngenta Bangladesh Ltd.